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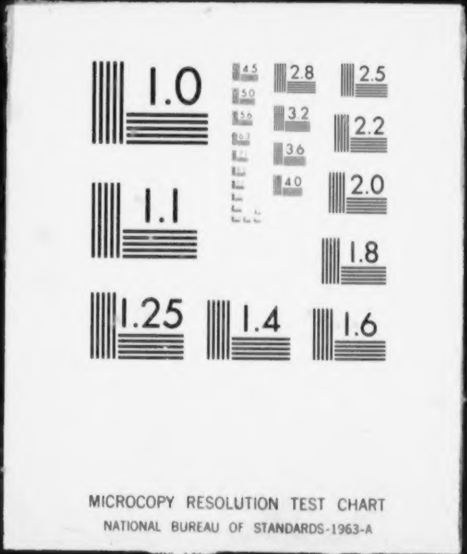
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ABSTRACT

This document reports the results of a survey designed to determine the extent to which recommendations made to the States by the Advisory Commission on Intergovernmental Relations (ACIR) in 1963 had been carried out. The survey contained 149 questions tackling such basic issues as constitutional restrictions in property tax administration, centraliztion of assessment supervision at the State level, and relief from the property tax burden for elderly and low income persons. An analysis and a summary of the findings of the survey are provided, as well as State-by-State responses to each of the survey questions. The report concludes that while some States have improved their administration of the property tax, the majority have failed to take positive significant action on the 1963 ACIR recommendations. (JF)

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93d Congress } COMMITTEE PRINT
1st Session }

STATUS OF PROPERTY TAX ADMINISTRATION IN THE STATES

COMPILATION OF STATE RESPONSES TO SURVEY

PREPARED BY THE

SUBCOMMITTEE ON
INTERGOVERNMENTAL RELATIONS

OF THE

COMMITTEE ON GOVERNMENT
OPERATIONS
UNITED STATES SENATE

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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LETTER OF TRANSMITTAL

U.S. Senate,
Committee on Government Operations,
Subcommittee on Intergovernmental Relations,
Washington, D.C., March 21, 1973.

Hon. Sam J. Ervin, Jr.,
Chairman, Committee on Government Operations,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: On November 30, 1972, the Subcommittee on Intergovernmental Relations sent out a questionnaire to all the States and the District of Columbia for a survey of their progress toward reform of property tax administration.

The subcommittee has now received responses to the questionnaire, and I am pleased to submit a compilation and analysis of the results of the survey in this report, "The Status of Property Tax Administration in the States."

The purpose of the survey was to provide a factual background for the continuing debate on the property tax. I believe that its results should be useful in the continuing inquiry by the Subcommittee on Intergovernmental Relations into the problems of administering the property tax and the feasibility of Federal action for relief and reform. I therefore respectfully request that the survey be made a committee print.

Sincerely,

Edmund S. Muskie,
Chairman, Subcommittee on Intergovernmental Relations.

FOREWORD

By Edmund S. Muskie, Chairman, Subcommittee on
Intergovernmental Relations

In recent years, we have all heard a great deal about the need for reform of the property tax system. Growing demands for relief from taxpayers and promises of reform from elected officials have given substance to the claim that we are undergoing a "property tax revolt."

Indeed, the tension is widespread. Public concern over inequities in the present system is at its highest level in many years and grows more bitter with every day that appeals for reform go unheeded.

The causes for this discontent are well documented. For too long, the average taxpayer in most States has been at the mercy of inexpert local officials, arbitrary bureaucracies, and privileged interests. Antiquated administrative practices and insufficient commitment of resources have prevented even responsible officials from protecting the public interest.

That widespread inequities and inefficiencies continue to exist has been clearly demonstrated by the results of a recent survey conducted by the Intergovernmental Relations Subcommittee, the findings of which are detailed in this report.

In 1963, the States received thoroughgoing, professional recommendations for assessment reform from the Advisory Commission on Intergovernmental Relations. The results of the subcommittee survey, which was designed to measure how far the States have progressed in implementing these recommendations, indicate that by and large, the States have not met their responsibilities for making property tax assessments fair, expert, and easily understood. I find these results most disappointing.

To be sure, a few States have tackled this task vigorously. But the problem is a national one, and it cannot be remedied by isolated protest or piecemeal response.

The fact that a few States have implemented provisions for property tax relief is small comfort to the millions of poor and elderly Americans who face property tax payments far in excess of their ability to pay.

The halting progress on the overall task of property tax reform is an insufficient response to the grievances of all property taxpayers who feel that the present system is unfairly and irregularly administered.

The importance of the property tax to local finance is indisputable. And despite suggestions that the unpopularity of the tax may cause its gradual disappearance, statistics indicate, that not only is it growing in importance, but it is also becoming increasingly regressive as well.

To be effective, relief and administrative reform of the property tax must go hand in hand. The task is a finite one which, when completed, will benefit taxpayers and government as well. State and local units of government will find themselves on sounder financial footing. All levels of government will benefit from a strengthened federal system and an increased confidence in government in general.

In addition, the majority verdict of the Supreme Court March 21 on school financing means that the effect of discriminatory fiscal practices on the right to equal educational opportunity cannot be ended by court decree. Consequently, the decision makes it essential that all of us concerned with fairness in taxation and equality in schools act at the State and Federal level to eradicate the discrimination we know exists.

The Court's decision adds new urgency to proposals I have submitted to the Senate to assist States in reforming the arbitrary and inexpert assessment practices which often magnify other local inequities in school financing. Justice Powell wrote, "The need is apparent for reform in tax systems which may well have relied too long and too heavily on the local property tax." But since the Court has chosen not to diminish such reliance, it is imperative that the States act to make the tax a fair one. Where reform is hindered by a lack of professionalism and a shortage of funds, the Federal Government must stand ready to help.

It is up to the States to make such progress as they can toward consolidating school districts and toward assuring uniformity in taxation. It is up to parents to insist on the best possible use of their tax dollars for the best possible education for their children. And it is up to the Federal Government to aid and encourage such progress.

Whether or not equal educational opportunity is a right protected by the Constitution, it is the foundation on which we build the future of democratic civilization. We are responsible for the firmness of that foundation and must act with speed and energy to assure that the Court's ruling is used to strengthen our schools, not to weaken them.

As this report indicates, the process of reform has barely begun. We cannot afford to defer or ignore it any longer.

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I. INTRODUCTION—ACIR RECOMMENDATIONS FOR STRENGTHENING THE PROPERTY TAX

In June 1963 the Advisory Commission on Intergovernmental Relations issued a comprehensive set of recommendations for strengthening the administration of property taxes in the States. Since that time, these recommendations, contained in the report "The Role of the States in Strengthening the Property Tax," have become generally accepted as the basic framework for reform of property tax administration at the State level and consequently as the standard by which to measure progress within the States toward a more equitable and responsive property tax system.

The report contained 29 recommendations in all, dealing with a broad range of State responsibilities vis-a-vis the property tax. These recommendations were offered on the basis of findings by the Commission that there were some things that only the States could do to strengthen the property tax, and that there was a marked consensus as to the general lines of action which the States should follow. These broad areas of responsibility, upon which were based the specific recommendations, fell into six broad categories:

(1) To provide effective State supervision and coordination of property tax administration.

(2) To know precisely and continuously what the property tax situation is throughout all taxing and assessing districts of the State, with respect both to the utilization of the tax and the quality of assessing, and to make well analyzed and clearly informative data on these features regularly available to the public.

(3) To amend or change property tax laws that are inequitable, unworkable, unduly restrictive, or otherwise unsatisfactory.

(4) To determine the appropriate role of the property tax in a well-integrated State-local revenue system and to guard against any grossly unequal distribution of the property tax burden.

(5) To recast any features of the administrative setup that prevent efficient, equitable administration.

(6) To provide the taxpayer with readily usable and effective means of protecting himself against inequitable assessment.

During the past 10 years, as public concern over the inequities of the property tax system has escalated, most States have taken at least limited action to strengthen and reform their administration of the propery tax, along the lines proposed by the ACIR.

II. SURVEY CONDUCTED BY SUBCOMMITTEE

In an effort to determine just how far this process of reform has progressed, the Senate Subcommittee on Intergovernmental Relations, of the Committee on Government Operations, sent out a questionnaire in November 1972, to all the States and the District of Columbia which focused on some of the more significant recommendations in the ACIR Report.

The survey contained 14 questions dealing with such basic issues as constitutional restrictions on property tax administration, centralization of assessment supervision at the State level, and relief from the property tax burden for elderly and low-income persons. A copy of the complete questionnaire follows (see fold-in in back of book).

Responses to the questionnaire were received from all States and the District of Columbia, with the exception of Connecticut.

A. Letter to States

U.S. Senate,
Committee on Government Operations,
Subcommittee on Intergovernmental Relations,
Washington, D.C., November 30, 1972.

Dear Governor: As you know, legislation was introduced at the end of the last Congress to provide Federal relief to elderly and low-income property taxpayers. I would expect similar legislation, including, perhaps, administration proposals, to be brought before the 93d Congress.

In order to provide a factual background for the debate on the property tax, my Subcommittee on Intergovernmental Relations has been studying the problems of administering the property tax and the feasibility of Federal action for relief and reform in this area.

The enclosed questionnaire is an important part of our study, and I would be most grateful to you if you could answer it and return it to the subcommittee by December 29.

Most of the questions can be answered in short phrases, but I would also appreciate any comments you have time to make about the general problems of State property tax administration, the Federal role in property tax relief and the propriety of Federal fair assessment standards. I would also welcome your reaction to the long-standing, general recommendation of the Advisory Commission on Intergovernmental Relations that assessment be centralized in a State tax agency, as well as any information you can supply about your State's progress in improving assessment administration.

Thank you for your time and trouble.

With best wishes, I am

Sincerely,

Edmund S. Muskie.

B. Summary of Findings

Results of the subcommittee survey indicate quite clearly that while some States have moved energetically to improve their administration of the property tax, the majority have failed to take significant positive action on the recommendations contained in the 1963 ACIR Report:

1. Professionalization of the assessment process is nowhere near a reality in a majority of States. Only 11 States apply specific standards for qualification or special training for local assessors, while 30 States have no such explicit requirements.

2. Centralization of assessment at the State level—a key recommendation in the ACIR Report—is still resisted in most States, although a number of States have increased their involvement in the assessment process. On the average, the States spend only one-tenth of 1 percent of revenues generated by the property tax on central supervision of property tax assessment. In six States, there is no agency at the State level charged with the supervision of this function.

This situation exists in spite of the fact that the property tax constitutes, on the average, 35–40% of all State and local tax revenues, and that property tax revenues for all the States exceed $40 billion annually.

3. By and large, systems for appeal of property tax assessments at the local and State level do not meet ACIR-recommended standards for independence and expertise. In a majority of States, the review agency at either the local or State level, or both, exercises additional responsibilities which appear to conflict with the objective of a professional and unbiased appellate body. Twelve States have no separate agency at the State level to perform solely the function of assessment review.

4. Only one State reported any significant realinement in the size of assessment districts, in spite of the fact that in many cases these districts are too small or too poor to provide a sufficiently broad tax base.

5. By far the majority of States continue to rely on the exemption mechanism as a means of providing tax relief to various groups and individual interests, which results in a hidden cost to the taxpayers and often undermines whatever credibility the present system may have.

6. Only 8 States have full classification systems for the assessment of different types of property. In many of the remaining States, local assessors rely on their own personal system of classification which, without the authority of a statewide uniform system, give credence to suspicions of favoritism and inequity in local assessments.

7. Only 2 States provide property tax relief to all persons within a certain low income limitation, while only nine provide such relief to renters over the age of 65 (variable age limit). The need for such relief has been well-documented by research conducted by the ACIR showing that the property tax burden falls disproportionately upon those who are least able to pay it. For example, approximately 1.3 million homeowners over the age of 65 and with an annual income of less than $2,000 pay an average of 15.8 percent of their support to property taxes. And approximately 10.4 million Americans with annual incomes of less than $5,000 face property tax payments in excess of 6 percent of their total income.

C. General Conclusions

Judging from the significant role which the property tax plays in almost all State and local revenue systems, it is clear that this method of taxation is here to stay. In fact, the property tax has grown in importance over the past 15 years, though less rapidly than other sources of tax revenue such as sales and income taxes.

At the same time, according to a survey conducted by the ACIR the property tax is the single least popular tax burden borne by the American public.

Nevertheless, the thorough reexamination by each State of its own system of property taxation, strongly recommended by the ACIR in very specific terms, has been the exception rather than the rule.

A detailed analysis of responses to the subcommittee questionnaire follows:

NOTE.—The analysis of responses to questions 1 and 7 have been combined, as have those of questions 2 and 3, because of the related information contained in the replies to these two sets of questions.

III. ANALYSIS OF RESPONSES TO SURVEY

A. CENTRALIZATION—TAX REVENUES AND COSTS OF STATE ADMINISTRATION

Question No. 1. *What were the total property tax revenues in your State in fiscal 1972? What proportion were property tax revenues of all State and local tax revenue in that year?*

Question No. 7. *What is the annual budget of your State agency charged with supervision of property tax assessments and how many professional staff employees does it have? How many industrial appraisers does the agency employ?*

ACIR RECOMMENDATION NO. 12

> Centralized assessment administration, with more inclusive centralization when dictated by efficiency, should be considered for immediate adoption by most States * * *.

(a) Forty-seven States and the District of Columbia provided figures on the total amount of property tax revenue collected in the State, though some figures were estimates, and not all were for fiscal year 1972 as requested in the questionnaire—see attached chart for the figure for each State. Based on these figures, the total property tax revenue for the 47 States and the District of Columbia was approximately $40 billion.

(b) Only 43 States and the District of Columbia provided information as to the proportion of all State and local tax revenue which came from property taxes in fiscal year 1972. Among those States where property taxes accounted for a very high percentage of all State-local tax revenues were: New Hampshire—69 percent; Wyoming—64 percent; New Jersey—57.1 percent; South Dakota—55 percent (for 1970); Massachusetts—53.5 percent; Kansas—53 percent (for fiscal year 1971); Nebraska—51.5 percent; Indiana—50 percent; and Texas—50 percent.

At the other extreme were States such as: Alabama—12.4 percent; Delaware—17.6 percent; Hawaii—19 percent; Tennessee—19 percent; Mississippi—21.5 percent; Kentucky—21.6 percent; South Carolina—22.2 percent (for fiscal year 1971); North Carolina—23.3 percent; West Virginia—23.3 percent (for 1970); and Alaska—23.5 percent.[1]

(See attached chart for complete list.)

(c) Forty-three States provided budget figures for the State agency charged with supervision of property tax assessments. It should be noted here that in numerous cases these figures represent the budget for all tax administration, not just property tax. In addition, some of the figures noted are taken from future budget estimates, so that the correlation between taxes collected—question 1—and the cost of supervising property tax assessments at the State level—question 7—is not completely parallel.

Within the limits of the data, State expenditures for the supervision of property tax assessment range from highs of $4.18 million in California, $2.54 million in Ohio, $2.4 million in Maryland, and $2.015 million in Oregon, to lows of $56,590 in North Dakota, $109,370 in Mississippi, $150,000 in South Dakota, and $175,000 in North Carolina.

In six States, there is no such States agency charged with the supervision of property tax assessments: Alaska, Delaware, Pennsylvania, Rhode Island, Texas, and Virginia.

(See attached chart for individual State figures.)

(d) In those States—39 plus the District of Columbia—where it was possible to compute the proportion of State expenditures for supervision of property tax assessment to the total property tax revenue of the State, the average percentage was found to be 0.11 percent. Only in Hawaii and the District of Columbia did this figure exceed 1 percent.

(See attached chart for individual State figures.)

The size of this percentage figure clearly points out that the bulk of all assessment supervision still lies with local jurisdictions.

(e) Forty-two States and the District provided information as to the number of professional staff employees in the State agency charged with supervision of property tax assessments. The average figure for these States was approximately 41, ranging from a high of 228 in Ohio to a low of only one—certified appraiser—in Idaho, two in Alaska, and three in North Dakota.

(f) Thirty-five States plus the District provided information on number of industrial appraisers in the State supervisory agency. The average for these States is quite low—approximately five per State—largely because 15 States reported having no industrial appraisers at all. (This in spite of the fact that an estimated 25 percent of all State property tax collections comes from commercial and industrial real estate, including public utilities.) These States are: Hawaii, Illinois, Kentucky, Maine, Massachusetts, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, and Oklahoma.

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[1] The following figures are helpful for the purpose of comparison: In fiscal year 1970, the property tax accounted for only 10 percent of all government revenues (Federal, State and local). During the same year the property tax accounted for almost 85 percent of all local tax revenue; and over the period from 1970–72, the property tax accounted for only slightly more than 2 percent of all State tax revenue.

State	Total property tax revenues—fiscal year 1972 (1)	Property tax revenue as percent of all State-local tax revenue (2)	Annual budget of State supervisory agency (3)	Proportion of budget (3) to total property tax revenue (1) (4)
Alabama	$186, 850, 000	[1] 12. 4	$940, 000	0. 5
Alaska	28, 000, 000	23. 49	(3)	----------
Arizona	(3)	[4] 38. 9	1, 400, 000	(15)
Arkansas	156, 299, 180	25. 0	[6] 420, 000	. 2
California	[1] 6, 372, 000, 000	46. 1	4, 180, 000	. 066
Colorado	492, 007, 621	33. 63	529, 400	. 11
Connecticut				
District of Columbia	142, 667, 000	32. 2	[7] 1, 920, 000	1. 3
Delaware	49, 000, 000	17. 6	(2)	----------
Florida	[8] 1, 052, 572, 401	44. 12	612, 300	. 06
Georgia	[1] 550, 000, 000	30	[9] 842, 000	. 15
Hawaii	98, 623, 187	19	1, 700, 000	1. 7
Idaho	[10] 108, 701, 755	40	(5)	----------
Illinois	[10] 2, 518, 000, 000	34	[7 9] 1, 550, 000	. 06
Indiana	1, 142, 623, 212	50. 0	960, 400	. 08
Iowa	[10] 768, 000, 000	45	311, 750	. 04
Kansas	[8] 512, 890, 000	53	600, 737	. 12
Kentucky	248, 500, 000	21. 6	500, 000	. 2
Louisiana	[10] 318, 945, 955	(8)	[6 7] 515, 000	. 16
Maine	224, 760, 000	45. 9	254, 650	. 11
Maryland	[8] 680, 000, 000	32	2, 400, 000	. 35
Massachusetts	2, 020, 500, 000	53. 5	(5)	----------
Michigan	2, 063, 300, 000	40. 7	[9] 1, 869, 400	. 09
Minnesota	876, 000, 000	[1] 39	196, 000	. 02
Mississippi	165, 350, 000	21. 5	109, 370	. 066
Missouri	(3)	(3)	[6] 350, 000	(5)
Montana	184, 308, 064	46	220, 000	. 12
Nebraska	391, 295, 500	51–52	319, 500	. 08
Nevada	342, 000, 000	27. 5	[6 9] 1, 750, 000	. 31
New Hampshire	188, 455, 350	69	356, 000	. 19
New Jersey	2, 406, 700, 000	57. 1	1, 340, 000	. 056
New Mexico	82, 000, 000	(3)	650, 000	. 8
New York	5, 555, 600, 000	37. 7	[12] 5, 200, 000	. 095
North Carolina	460, 382, 000	23. 3	175, 000	. 04
North Dakota	110, 260, 447	42	56, 600	. 05
Ohio	2, 000, 000, 000	46	2, 540, 000	. 13
Oklahoma	275, 980, 000	27–28	105, 000	. 04
Oregon	[8] 486, 618, 000	42. 1	2, 015, 000	. 41
Pennsylvania	[8] 1, 557, 000, 000	29. 5	(2)	----------
Rhode Island	202, 478, 214	40. 7	(2)	----------

State	Total property tax revenues—fiscal year 1972 (1)	Property tax revenue as percent of all State-local tax revenue (2)	Annual budget of State supervisory agency (3)	Proportion of budget (3) to total property tax revenue (1) (4)
South Carolina	[8] 188, 400, 000	22. 2	[9] 417, 900	. 22
South Dakota	157, 600, 000	([3])	[9] 150, 000	. 095
Tennessee	[1] 380, 000, 000	19	956, 000	. 25
Texas	[8] 1, 570, 000, 000	50	([2])	----------
Utah	$169, 207, 884	34. 5	1, 090, 000	. 64
Vermont	116, 710, 000	43. 9	[9] 450, 000	. 39
Virginia	1, 016, 100, 000	29. 4	([2])	----------
Washington	625, 000, 000	35	[9] 943, 000	. 15
West Virginia	145, 000, 000	[4] 23. 3	1, 207, 000	. 8
Wisconsin	1, 301, 043, 500	41. 3	[13] 1, 026, 000	. 08
Wyoming	83, 820, 000	64	202, 000	. 24

[1] Estimate.
[2] Not applicable.
[3] Not given.
[4] 1970.
[5] Not available.
[6] Entire tax division.
[7] All taxes.
[8] Fiscal year 1971.
[9] Fiscal year 1973.
[10] 1971.
[11] Expected to drop following major reform in 1972.
[12] Entire State board of equalization.
[13] All tax equalization functions.

B. PROFESSIONALIZATION: SELECTION, CERTIFICATION, AND TRAINING

Question No. 2. *Are local property tax assessors in your State elected or appointed? Are they required to meet any professional qualifications?*

Question No. 3. *Does your State or do local jurisdictions in it provide salary incentives for assessors who complete special training courses? Does the State make any financial contribution to such training? If so, how much was the most recent payment?*

(a) ACIR RECOMMENDATION NO. 16

> All assessors should be appointed to office, with no requirement of prior district residence, by the chief executives or executive boards of local governments * * * they should be appointed for indefinite, rather than fixed, terms * * *

In only 11 of the 49 States, plus the District of Columbia, responding to this question are local property tax assessors appointed in all cases. In 23 States the local assessors are elected, while in the remaining 15 States assessors may be elected or appointed, according to local practice. In one State, Hawaii, assessors are selected through the State civil service system.

(b) ACIR RECOMMENDATION NO. 15

> The State supervisory agency should be empowered to establish the professional qualifications of assessors and appraisers and certify candidates as to their fitness for employment on the basis of examinations given by it or of examinations satisfactory to it given by State or local personnel agency, and to revoke such certification for good and sufficient cause * * * No person should be permitted to hold the office of assessor or to appraise property for taxation who is not thus certified.

In 30 of the above 50 States (including the District of Columbia) there are no explicit State-required professional qualifications for the position of assessor. Five States have some limited requirements: In California, only appraisers and not assessors must be certified by the State; in Washington State, the staff members for county assessors must be certified by the State; in Utah assessors must be certified in order to assess any property having a market value in excess of $2,000; and in Illinois, only those assessors appointed to office must meet certain minimum qualifications.

Only 11 States reported requiring some special training or certification procedure of candidates for local assessor: Georgia, Hawaii, Iowa, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New Jersey, New York, and West Virginia. In Georgia, Michigan, Minnesota, and New Jersey, such requirements have only very recently been enacted.

(c) The ACIR report did not provide specific recommendations regarding salary incentives for assessors who complete special training, although the Commission did recommend that the States not place limits on salaries paid certified assessors and appraisers (Recommendation No. 17). The report also included a recommendation that any State establishing professional qualifications for assessors and appraisers arrange for and conduct regular training programs (Recommendation No. 22).

Of the 48 responses to this question, only five States reported providing bonuses to assessors receiving certification—Illinois, Maryland, Nebraska, New Mexico and Tennessee. The yearly total amounts paid out of such bonuses range from $1,500 to $2,000 in Nebraska to $83,750 in Illinois. Four States reported that in some individual counties bonuses are provided for certification or special training. Several other States provide incentives only insofar as the salary schedule is related to amount of training and experience. The Arkansas constitution contains a limitation on the salary of assessors.

There is considerable variation among the States which regard to other forms of State contribution to the training of assessors and appraisers. Thirteen States reported making no contribution at all to such training. However, a majority of States (29) reported sponsoring special training sessions for assessors or contributing to the cost of such training schools. In several cases—including California, Colorado, and Missouri—attendance at such training sessions is mandatory.

The size of the annual State contribution to these training programs also varies a great deal from State to State. The highest figures noted were in $158,000 in California, $40,000 in Minnesota, $22,000 in Pennsylvania, $21,000 in Michigan, and $20,000 in Maine. Most of the figures cited were far lower, however, falling below $10,000 per year. (Note: Only 13 States provided information on the size of such payments by the State).

(d) In summary, there does not appear to have been much movement by the States in requiring or encouraging a greater degree of professionalization among local assessors and appraisers. While a majority of States do make some contribution toward the training of assessors, in most cases this training is not mandatory. Assessors are still elected in at least half the States, in spite of the ACIR's most explicit recommendation on this point. And in at least half the States, there are no specific professional qualifications required of persons holding the position of assessor.

In its report, the ACIR noted that one of the major obstacles to a sound system of assessment at the local level was the recruitment and retention of well-qualified persons to serve as assessors and appraisers. In spite of increased State aid to local assessors, it is clear that this is still a problem, one to which several States referred specifically in outlining their major difficulties in property tax administration. Governor Holshouser of North Carolina defined the problem quite succinctly in noting that, "From the standpoint of trained personnel, almost none of our county tax offices are adequate to carry out the duties assigned them by the statute."

C. Local Appeals—Impartiality and Quality

Question No. 4. *Are the local officials who judge initial appeals from property tax assessments elected or appointed? Do they derive their authority to hear such appeals from the fact of holding other office? If so, what is the office (for example, county commissioner), and what is their other involvement in assessment administration?*

In its 1963 report, the ACIR recommended that local assessment review agencies be professionally staffed and that they serve an appellate function only. (Recommendation No. 28) The report found that in far too many cases these agencies operated on a part-time basis, their membership comprised of persons elected to other offices which are their principal responsibility, and that too often the agencies were performing both supervisory and quasi-judicial functions.

(a) With the exception of Hawaii, all States (plus the District of Columbia) responding to question 4 do have assessment review agencies at the local level. In 21 of these States, members of the review agency are elected, and in all but two the elected members serve on the review agency by virtue of holding an elected office, most commonly that of county commissioner or school board member. Only Arizona and California, of these States, have local review boards elected specifically for that purpose.

In another 17 States, members of the local review agency are appointed.

In the remaining 12 States, members of the local review agency may be elected or appointed, depending upon the unit of government. Under those circumstances, where the board members are elected, in almost all cases the members serve as persons elected to other offices.

(b) In at least 15 States, members of local assessment review agencies have additional responsibilities for different parts of the assessment process, many of which appear to conflict with the appellate function. In several of these States, including Alabama, Idaho, Indiana, Montana, New Hampshire, Ohio, and Oklahoma, the review agency is at least partially responsible for the assessments which it may be later called upon to review. In several other States, the agency is responsible for the overall supervision of assessments in the county.

(c) In recommending certain changes in the review process at the local level the ACIR noted that a simple and direct means of taxpayer relief, embodied in a professional appellate body, was an essential ingredient of a fair and credible system of property tax assessment. Yet, in a majority of States, either some or all members of the local review agencies continue to serve in this capacity by virtue of their holding an elected office which is their principal responsibility. Moreover, there does not appear to be any shifting away from this pattern as long as most States continue to rely on local units of government for the primary assessment function.

D. STATE REVIEW—INDEPENDENT APPEAL AGENCIES

Question No. 5. *How and by whom are the members of the State-level tax assessment review agency chosen? What is their term of office? Does their agency have responsibility for assessing intercounty property, and, if so, what property (for example, utility, railroad, et cetera)? Do they also supervise local assessment standards and administration?*

(a) ACIR RECOMMENDATION NO. 28

> The review machinery should have a two-level organization, with both the local and State agencies serving only an appellate function and being professionally well staffed for that purpose; the State agency—either an administrative board or a tax court—should be separate from any State agency for property tax administration, should be an appellate body to hear appeals from decisions of local review agencies and from central assessments by the State supervisory agency * * *.

Of the 49 States responding to this question (not applicable to the District of Columbia), 12 have no separate agency at the State level to perform solely the function of assessment review. In these States, the review function is carried out in most cases by another agency of government, such as a State department of revenue or a State board of equalization. In 30 States, the review agency at the State level consists of a board which is appointed in most cases by the Governor, but in some cases by the State tax commissioner or the State supreme court.

In five States, membership on the review board is defined by statute to include certain elected officials. In California, members of the review agency are elected; while in Hawaii, membership is a State civil service position.

The second part of question 5 was applicable to only those States which do have an assesment review agency at the State level. Of the 38 States responding to the followup questions, only 10 noted that their assessment review agency exercises no assessment or supervisory function in addition to the appellate function: Colorado, Hawaii, Idaho, Illinois, Iowa, Maine, New Jersey, Vermont, Washington, and Wisconsin.

In 25 of these States, the review agency is responsible for the assessment of intercounty property, which generally includes public utilities, pipelines, railroads, and carlines; and in several cases, telephone and telegraph service.

And finally, 20 States reported that their State assessment review agency does supervise local assessment standards and administration, though in several cases this responsibility is primarily advisory.

(b) The 1963 ACIR report noted that "the great majority of State review agencies are given an incompatible dual role, one of administration and supervision, and the other of reviewing the performance for which they are responsible."

(c) In conclusion, while a clear majority of States do have a separate agency at the State level for assessment review, at least half the States continue to assign dual roles to these agencies, roles which the ACIR found to be highly incompatible, not only with each other but also with the goal of an objective and effective review process.

E. Measuring Assessment Quality

Question No. 6. *What agency or agencies in your State conducts assessment-sales ratio studies? How often are they conducted? How often are they published and to whom are they distributed? What kinds of property are included in the ratio studies?*

ACIR RECOMMENDATION NO. 25

> The State supervisory agency should be required to conduct, annually, comprehensive assessment ratio studies, * * *. The agency should be required to publish the findings of each study, both as to the quality and average level of assessment, in clear, readily understandable form.

ACIR RECOMMENDATION NO. 29

> The State supervisory agency should be required * * * to make and publish the findings of annual assessment ratio studies which, in addition to serving the purposes of supervision and equalization, will inform the taxpaper of the average level of assessment in his district.

(a) Of the 49 States and the District of Columbia, 33 conduct assessment ratio studies either annually or on a continuing basis. (Note.—In California, studies are conducted by the counties.) An additional six States conduct such studies on a biennial basis.

In the remaining States, three are in the process of conducting the first such study (or have completed the first only recently), five conduct such studies on no regular basis, and one is in the process of switching from an irregular to a continuing basis. In Oklahoma, assessment-sales ratio studies were conducted annually prior to 1970. Since that time, the studies have been suspended due to a defect in a 1970 law revising the basis for the studies.

(b) Of the 39 States (including the District) which presently conduct assessment-sales ratio studies on some regular basis, six do not publish the results: Maine, Michigan, New Mexico, Rhode Island, South Carolina, and Wisconsin.

(c) With regard to the distribution of these studies, in only two States— Hawaii and to a lesser degree South Dakota—are the studies distributed explicitly to the general public, although a number of States make the studies available to private citizens upon request. In general, the studies are distributed to public officials only.

(d) Thus, while a majority of the States do conduct assessment-sales ratio studies and make them available to representatives of State and local government, it does not appear that many States have used these studies to fulfill the second purpose recommended by the ACIR, that of informing the general taxpaying public.

F. Consolidating Assessment Units

Question No. 8. *Have there been any changes in the size of assessment districts in your State in the last 10 years? If so, please give details.*

ACIR RECOMMENDATION NO. 13

> The geographical organization of each State's primary local assessment districts should be reconstituted, to the extent required, to give each district the size and resources it needs to become an efficient assessing unit and to produce a well-ordered overall structure that makes successful State supervision feasible. No assessment district should be less than countywide, and when, as in very many instances, counties are too small to comprise efficient districts, multicounty districts should be created.

(a) Of the 49 States responding to this question (not applicable to the District of Columbia), only one reported any major change in the size of assessment districts within the State during the last 10 years. In Delaware, the number of independent school districts has been reduced by consolidation from 49 to 26. Several other States cited such changes as a scattered consolidation of school districts and the creation of special tax districts.

Minnesota reported that a recently enacted requirement for assessor certification by December 1, 1974, was resulting in the gradual replacement of township assessors by county assessors.

Wisconsin enacted a law in 1969 allowing the counties the option of substituting one county assessing jurisdiction for local jurisdictions within the county, by a two-thirds majority vote of county taxpayers. However, to date, only one county has taken advantage of this option.

Finally, in Alaska, a relatively rapid growth of municipalities within the past 10 years has resulted in the creation of unified home-rule municipalities and cities, and a fairly substantial consolidation of previously fragmented districts.

(b) In making this recommendation, the ACIR noted that in far too many cases the local assessment effort is so fragmented as to make a well-coordinated, uniform professional assessment process next to impossible. The responses to question No. 8 indicate that on the whole, there has been almost no effort made by the States to implement this recommendation.

G. Taxing Personal Property: Revenues and Costs

Question No. 9. *Does your State impose an ad valorem tax on any of the following kinds of personal property, other than business property:*

Motor vehicles.
Household goods and furnishings.
Antiques and works of art.
Jewelry and furs.
Intangibles (stocks, bonds, savings accounts).
Livestock.
Farm equipment and machinery.
Standing timber.

If any of these classes of property were fully or partially exempted from such taxation in the last 10 years, please supply details of the exemption and some of the considerations—such as administrative costs of enforcement—that motivated it.

In its 1963 Report, the ACIR noted that—

> "The ad valorem tax on tangible personal property in its broadest form is a very sanguine type of tax in what it anticipates both from the administrator and the taxpayer" (p. 30). Because of the difficulty in locating replacement revenues, the Commission did not recommend abolishing the tax on tangible personal property, but rather suggested that: "In the instance of any class of self-assessed personal property, unless the local assessor is given adequate means to audit the declarations of the taxpayers, the property shoud be assessed by the State or the tax on such property abolished." (Recommendation No. 4.)

(a) Of the 50 responses to this question, 40 States and the District of Columbia reported that they impose an *ad valorem* tax on one or more of the types of personal property specified in the question, although in six of these States the tax is imposed at the local level only (Idaho, Illinois, Maryland, Rhode Island, South Carolina, and Virginia).

Fifteen States specifically reported imposing an ad valorem tax on personal intangible property, although several noted that this particular tax is virtually ignored by local assessors because of the difficulty of administering it. These States include: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kentucky, Mississippi, Montana, North Carolina (which noted it received $27 million in revenue from this tax in fiscal year 1972), Ohio, Pennsylvania, South Dakota, West Virginia, and Wyoming (bank notes only).

(b) Of the 41 utilizing an ad valorem tax on personal property, about two-thirds have exempted certain types of personal property within the past 10 years—(Note.—this figure may be higher, but several responses did not indicate whether exemptions were enacted within the last decade or not). The largest category of property exempted during this time is household goods and furnishings (exempted in 13 States). The main reason cited for this exemption was the difficulty of administering the tax and a desire to provide property tax relief.

The second largest category of property exempted during this time period is agricultural, including livestock and farm equipment and machinery. Eight States have exempted livestock inventory, while four States have exempted farm equipment and machinery. Reasons cited for this exemption included: an attempt to provide tax relief for farmers, and the low yield from agricultural personal property tax. In a few States, partial exemptions for agricultural inventory were adopted at the same time as partial exemptions for business inventory.

Finally, four States have exempted the tax on intangibles because of the difficulty in administering it. Two States have recently acted to exempt all personal property from ad valorem taxation: North Dakota exempted all personal property in 1969; and Illinois has adopted a constitutional amendment abolishing all personal property taxes on or before January 1, 1979.

(c) Sixteen States specifically reported levying an ad valorem tax on standing timber as a class of personal property. One State—Colorado—exempted this category of property within the past 10 years as it was not a major source of revenue.

(d) In summary, while there has not been the wholesale re-evaluation of ad valorem taxes on personal property advocated by the ACIR, a good number of States have acted to eliminate certain types of personal property taxes which were either administratively or politically too costly to continue. Fewer than half the States (of those which responded to this question) continue to levy an ad valorem tax on either household goods and furnishings or intangibles, or both, the two types of personal property tax most difficult to administer.

In an attempt to overcome the difficulty of assessing certain types of personal property at least three States—Ohio, Pennsylvania and Florida—have, at one time or another, made use of Federal income tax returns to improve auditing of personal property tax returns in the State. Ohio has recently terminated this program because of its high cost to the State in relation to the returns, but is now planning to use IRS magnetic tapes in the auditing of State personal income tax returns. In both Florida and Pennsylvania, IRS data is currently used in administering the tax on intangible personal property.

H. Classification of Property

Question No. 10. Does your State have a classification system setting different levels of tax on different classes of property? If so, please supply details of the original classification provision and any recent amendments to it.

Although the ACIR made no specific recommendations in its 1963 Report concerning the use of classification systems for property tax assessment, it did note that such systems are "potentially useful legal devices for making property tax systems more readily administrable * * * Classification, by removing inequities that generate evasion, can give the assessor more confidence in the justice of strict enforcement." (p. 35)

(a) Of the 49 States and the District of Columbia responding to question 10, 26 do not have a classification system of any kind, and 15 have only a partial system. Included in this latter category are provisions for special farmland assessments which in six States represent the only special property classification. In Oklahoma, the voters have recently approved classification, and action is expected during the coming legislative session.

Provisions of the classification systems in the eight States which do have them (Alabama, Arizona, Hawaii, Louisiana, Minnesota, Montana, Tennessee, and West Virginia) vary considerably from State to State. Generally, classification distinguishes the following different types of property: Utility, agricultural land, commercial and industrial, residential, livestock, railroads, mining property, gas and oil properties, and merchandise inventories.

(b) Few States provided information concerning recent amendments to their classification systems. The one amendment most frequently cited was the enactment of "greenbelt" laws providing special assessment for farm, timber and open space land. In four States—Alabama, Maryland, Illinois and Tennessee—recent amendments to the State constitution have permitted the creation of complete classification systems.

Thirty-one States presently have the constitutional authority to classify property.

I. REAL PROPERTY EXEMPTION: ASSESSMENT AND PUBLICITY

Question No. 11. Does your State exempt any real property from ad valorem taxation? If so, please give details of the kinds of property exempted. Also, does your State make and publish any regular assessment of the value of such tax-exempt property?

(a) The 1963 ACIR Report did not make any specific recommendations regarding the number of real property exemptions from ad valorem taxation, although it did comment:

> The utilization of exemption from property taxes without regard for the secondary effects thereof has advanced so far in redistributing the property tax burden that a reexamination of this device is needed.

All 49 States and the District of Columbia responding to this question do exempt certain types of real property from ad valorem taxation (in Delaware the authority to grant such exemptions rests with the counties and municipalities). Though specific exemptions vary from State to State, most States do exempt many of the same types of property, including: all property owned by any level of government and used for public purposes; real property owned by nonprofit religious, charitable, educational, benevolent and scientific organizations and used for such purposes only; cemeteries; public housing authorities; art galleries (public); public airports; etc. A large number of States provide partial exemptions for real property owned by veterans or their widows, blind persons, and the disabled. Some States provide a limited homestead exemption for all taxpayers.

An examination of the lists of exemptions allowed in these States indicates that in the majority of States, the tax exemption is used quite widely as a means of providing relief to a broad range of interest groups and public services.

(b) ACIR RECOMMENDATION NO. 8

> In order that the taxpayers may be kept informed, each State should require the regular assessment of all such tax-exempt property, compilation of the totals for each type of exemption by taxing districts, computation of the percentages of the assessed valuation thus exempt in each taxing district and publication of the findings.

Of the 39 responding to the second part of question 11 (including the District of Columbia) 24 reported that the State does not make or publish assessments of the value of real property exempted from ad valorem taxation on any regular basis. (In five of these States—Alaska, Arkansas, Maine, Oklahoma, and Virginia—there is some effort to record the value of such exempted property at the county level.)

Only 15 States reported making and publishing such assessments regularly. The District of Columbia, Georgia, Indiana, Maryland, New Jersey, Ohio, and Oregon noted making and publishing such assessments annually. In New York, and Rhode Island, these assessments are required by the State to be submitted annually by the municipalities. Both Iowa and Wisconsin are in the process of making the first such assessment at the present time.

In Utah, exempted property is listed but not appraised.

(c) On the whole, very little progress has been made in the direction of reevaluating the use of property tax exemptions and their impact on the overall tax situation in the respective States.

J. TAXATION RELATED TO USE: PROTECTING FARMLAND AND OPEN SPACE

Question No. 12. *Does your State have any provision—Greenbelt laws, restrictive agreements, etc.—to assure that land taxed as farmland is withheld from other forms of development and/or taxed retroactively when its use changes? If so, please provide details of the system used.*

Within the past decade increasing attention has been focused on the need to preserve "open space" land both as a vanishing natural resource and as a key element in any overall strategy to control urban sprawl and develop comprehensive land use plans, particularly in metropolitan areas.

Nevertheless, only 17 of the 49 States responding to this question (not applicable to the District of Columbia) have developed "greenbelt" or other similiar laws designed to encourage preservation of open space land: Alaska, California, Hawaii, Kentucky, Maine, Maryland, Minnesota, New Jersey, New Mexico, New York, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Virginia, and Washington. In these States, provisions of the law include special tax assessment rates for land used exclusively for agricultural purposes (several States include timberland and general open space land as well), and the imposition of rollback taxes on the land when it is converted to another use.

In four States surveyed—Alabama, Massachusetts, Nebraska and Nevada—constitutional amendments have recently been approved which would permit special assessment of farm land (in Nevada the constitutional amendment is still pending in the legislature, having been passed by only one house). In four States—Michigan, North Carolina, Ohio and Wisconsin—where constitutional amendments are not necessary, the issue is expected to come before the next session of the legislature.

Finally, four States—Arkansas, Delaware, Vermont and West Virginia—have limited provisions designed to discourage the conversion of agricultural and open space lands to other uses. Arkansas, Deleware, and West Virginia have provisions for special assessment of agricultural land but no provision for rollback taxes upon conversion of the land to other uses. In Vermont, a 1969 law allows the owner of any real property to sell or donate his property to a municipality or State agency. If this land is later returned to private ownership, its use shall not be changed without consent of the legislative body of the municipality. (To date, this law has not been used.)

It should be noted that in those States where greenbelt laws do exist, there are mixed feelings as to their success. For example, in New Jersey, the statutory definition of agricultural use is such that it is possible for land speculators to devote minimal effort to farming the land while still qualifying for the special assessment rate. The Rhode Island response to this question included the observation that the State's greenbelt law is largely ineffective in preserving open spaces, but very effective as a tax shelter for land speculators.

K. Relieving Property Taxes: How Much and to Whom?

Question No. 13. *What provisions, if any, does your State make for relief of property taxes and to whom is such relief given? How many people received such relief in fiscal year 1972 and how much money was distributed to them?*

In a 1967 report, the ACIR recommended that the States take steps to shield basic family income from undue burdens imposed by the property tax. The recommendation was made on the basis of findings which showed that the property tax burden fell disproportionately on low-income groups, in particular the elderly. In a report issued in January 1973, the ACIR reaffirmed this recommendation, noting that while many States have adopted "circuit breaker" provisions for property tax relief, primarily for the elderly, there is still much to be done in the way of providing relief for all low-income groups.

(a) Within the past few years there has been considerable progress at the State level toward providing property tax relief for elderly homeowners. Forty-four States now have adopted specific provisions for such relief. In 23 of these States, the entire program is State-financed;

in 15 States, the program is State-mandated but locally financed; and in the remaining six States, the program is State-authorized and locally financed. Of these same 44 States, 38 have adopted or broadened their program within the past 3 years, while another 20 States are presently considering an expansion of their existing system.

Many of these programs are, of course, limited. For example, income ceilings for eligibility vary a great deal from State to State, and some are quite low—$3,000 in Delaware and North Carolina, $3,500 in North Dakota, and $2,400 (single) or $3,700 (married) in Colorado.

Progress toward alleviating the property tax burden for all low-income groups has been much more limited, however. For example, only nine States have provisions for relief to elderly renters—California (all renters), Colorado, Illinois, Maine, Michigan (all renters), Minnesota, New York, Vermont, West Virginia, and Wisconsin.

And only three States—New Mexico, Oregon, and Utah—have circuitbreaker provisions for tax relief to low-income persons of all ages. Beginning last year, New Mexico provides an income-dependent tax credit to all persons under an income ceiling of $6,000 per year, based on all State-local taxes paid by the individual. Oregon provides a tax credit for all homeowners on a sliding scale, with an implicit income ceiling of $8,000 per year. The Utah system provides relief to "indigent" homeowners under an income ceiling of $2,500 for single persons, $3,000 for married persons. Although the word "indigent" is presently interpreted to mean only those persons 65 and older, there is no explicit age limit in the law.

There are presently nine States with no program of property tax relief to either the elderly or to all low-income taxpayers—Arizona, District of Columbia, Louisiana, Mississippi, Missouri, Nevada, Oklahoma, and Wyoming. In Missouri the constitution has recently been amended to allow for an exemption for homeowners 65 and older. Enabling legislation is expected during this session of the legislature. Circuitbreaker legislation is presently being proposed to Congress for the District of Columbia.

In both Oklahoma and Nebraska the issue of property tax relief for senior citizens is expected to come up during the 1973 legislative sessions.

(b) Only 16 States provided figures as to the amount of relief distributed under State circuitbreaker provisions. These amounts ranged from a high of over $33 million in Massachusetts to a low of $337,000 in Colorado. Under the Massachusetts system, 72,753 persons received relief in 1971. In Colorado, 12,402 received relief (an estimated 50 to 60 percent of those eligible).

L. CONSTITUTIONAL OBSTACLES TO REFORM

Question No. 14. *Please list and explain any provisions of your State constitution that make specific reference to the system of property taxation.*

Noting that "in some States the modernization of property tax systems and their administration is hampered by constitutional provisions that are archaic, confusing, or cluttered with details of a statutory nature and are often difficult to amend" the ACIR made the following recommendation (No. 2) in its 1963 report: "To give legislatures and Governors flexibility and responsibility for producing and maintaining equitable, productive, administrable property tax systems, constitutions should be divested of all details that obstruct sound utilization and administration of the property tax."

(a) Of the 49 States responding to question 14 (not applicable to the District of Columbia), only one, Hawaii, noted that its State constitution contains no reference to a system of property taxation. In all the remaining States, constitutional references to the property tax do exist, though there is a great deal of variation from State to State.

In general, most State constitutions include similar basic references; for example, a listing of general categories of property which may or shall be exempted from property taxation, some provision for a classification system (or prohibition of same), and a broad authorization for the State legislature to tax within the guidelines set out in the constitution. In addition, many State constitutions require uniformity of assessment unless otherwise noted.

Other types of provisions which appear less frequently in State constitutions include: A maximum rate of taxation which can be applied to a given class of property; provision for amending this rate through a referendum process; the requirement that revenues from motor vehicle and motor fuel excise taxes be used for the upkeep of highways, roads, et cetera; provisions regarding the rights of municipalities to tax and go into debt; and provisions for homestead exemptions, often with dollar amounts specified.

The majority of State constitutions in these 47 States contain references to the system of property taxation which fall within the outline of the general provisions noted above. There are, of course, States at both extremes.

For example, the State of Vermont constitution contains only the most general reference to a system of property taxation, stating the authority of the State to levy taxes and the responsibility of the citizens to share in the burden of maintaining public services. Other States which have only general constitutional references to the property tax are Wisconsin, Maryland, Arizona, New Hampshire, North Dakota, Mississippi, and Delaware.

At the other extreme, the State constitutions of Texas, Tennessee, Oklahoma, New York, Louisiana, Alabama, and Missouri contain much more detailed references to the property tax system. Of these, the Louisiana constitution is by far the most specific. The newly revised Tennessee constitution contains schedules of assessment rates for different classes of real and tangible personal property. The New York, Alabama, and Oklahoma constitutions contain fairly detailed provisions for local use of the property tax.

While relatively few States are encumbered by constitutions which make extremely detailed and therefore restricting reference to a property tax system, many States must still cope with overly general constitutional references which are limiting in their vagueness. The ACIR saw a need for change in both instances, but to date there appears to have been very little comprehensive reevaluation of such constitutional provisions by the States.

The lone exception to this rule is the State of Montana, whose constitution has been substantially revamped to strengthen property tax administration, and whose legislature is now moving rapidly to act on these reforms.

M. OTHER ISSUES: A FEDERAL ROLE IN RELIEF AND REFORM

In addition to completing the questionnaire, each State was asked for comments on several broader questions, such as the role of the Federal Government in the field of property tax reform, and centralization of the assessment function in the State tax agency—one of the major recommendations contained in the ACIR 1963 report.

Fewer than half the States provided comments on the question of centralization of the assessment function in a State-level tax agency. Of the 20 States responding specifically to this question, the majority favored retaining the assessment function at the local level as much as possible, or else did not foresee support within the legislature for such action any time soon, although most States did express support for increased State involvement in an advisory capacity. Only New York, North Carolina, Oregon, Vermont, Washington, Wisconsin, and Wyoming expressed support for an increased centralization of the assessment function at the State level. (In Hawaii, all assessment is carried out at the State level only.)

Similarly, the majority of responses commenting on the role of the Federal Government in this area expressed hesitance over any Federal involvement other than through revenue sharing or through technical assistance and advice. Some selected comments on this point include:

Governor Evans of Washington

> The availability of Federal revenue-sharing funds should permit the latter (State and local governments) to achieve significant relief on their own if they wish, and this is the route we are taking * * *. I am strongly opposed to a Federal grant-in-aid or incentive program designed to establish fair assessment practices * * *.

Governor McCall of Oregon

> Although I believe that the administration of the property tax must remain within the domain of local government and the States rather than the Federal Government, I also believe that the Federal Government is in a position to make a very worthwhile contribution in terms of model laws, studies to pinpoint problem areas, and studies to provide guidance toward bringing about greater uniformity in property tax laws among the States.

Governor Carter of Georgia

> * * * I believe that the major role of State government in property tax administration should be through increased technical assistance by which desired uniformity and economies can be obtained. In my opinion, the Federal Government can play an important part in this regard. For example, the Federal Government could provide more input and control over standardized mapping procedures * * *. Resources

could also be made more readily available for training programs for local assessment officials.

Several States did express support, however, for some type of Federal incentive program to improve property tax administration:

Governor Burns of Hawaii

> * * * for the sake of uniformity and equity in property taxation, States rights should be set aside in favor of a limited Federal program * * *.

Governor Lucey of Wisconsin

> It would appear that Federal intervention in property tax administration, except for interstate commerce problems, should not be necessary if the States were assuming their full responsibilities * * * . The experience in Wisconsin, and I assume this is true in other States as well, has been that property tax administrative reform has been thwarted by local officials and bureaucracies and special interests benefiting from underassessment.

Governor Anderson of Minnesota

> As a minimum, either a direct Federal circuit breaker system or a Federal aid to State systems is needed.

Governor Holshouser of North Carolina

> In my opinion, the greatest contribution the Federal Government could make in this area would be to develop and fund (perhaps on a matching basis) a program for upgrading the administration of the property tax. The program would involve high quality instruction and inservice training for assessors and other tax office personnel.

IV. SURVEY QUESTIONNAIRE TO STATES

(See survey questions in back of book)

V. RESPONSES TO QUESTIONNAIRE BY INDIVIDUAL STATES

Responses to the questionnaire from individual States are reprinted in their entirety below.

***Note.*—In those cases where a response to a particular question was provided in the attachment of sections of a State law or constitution, the citation to the section has been noted and the attachment has been omitted.**

ALABAMA

Answer 1

The total collections of property tax in Alabama for the fiscal year ending September 30, 1972 were: State, 34.7 millions, county, 98.7 millions and municipal, 53.4 millions, for a total of $186,850,000. We do not have final figures on collections of all taxes for the 1971–72 fiscal year. Based on collections for prior years, we estimate that total county and municipal tax collections were 564.3 millions. Total collections of State taxes were 937.8 millions making a total State, county and municipal tax revenue $1,502,100,000. Property tax therefore, represents 12.4 percent of the total.

Answer 2

Local tax assessors are elected. They are not required to have any professional qualifications.

Answer 3

No salary incentives are provided for special training courses.

Answer 4

County boards of equalization fix property values and hear initial protests. Values as finally fixed by county boards of equalization are appealable de-novo to the circuit court of county where the property is located. A county board of equalization is composed of three members appointed by the Governor for a 4 year term, one from three names submitted by the county governing body, one from three names submitted by the county board of education and one from three or more names submitted by the municipalities of the county.

Answer 5

The department of revenue prior to 1972 had statutory general supervision of the administration of the property tax in all counties, however, historically and for some practical reasons, the assistance given the counties was limited to appraisal assistance by department personnel on request by a county board of equalization. Beginning in 1972 the department of revenue has become active in the direction and supervision of a statewide reappraisal program designed to equalize tax assessments. This policy change was brought about by a court order and an act of the Alabama Legislature directing equalization of property taxes. The act of the legislature further, directs the department of revenue to maintain equalization when the in-progress revaluation program has been completed. Assessment of utility and railroad properties are made on a unit basis at the State level.

Answer 6

The State department of revenue has made two statewide ratio studies, the last in 1969. There is no statute requiring ratio studies. The department of revenue will, however, at the conclusion of an in-progress statewide revaluation program establish a program under which there will be a continuous updating of ratio information in each county. The ratio study made in 1969 was made available to any interested individual or group. This study covered real property only.

Answer 7

For the 1971–72 fiscal year, $690,000 was appropriated to the department of revenue to be used in the normal operation of the State property tax unit. In addition, $250,000 was appropriated to pay the cost of the supervision of the reappraisal program. The latter is a continuing appropriation to be used to maintain equalization of property tax assessments. Additional provisions were made to pay the direct costs of the reappraisal program. There are 28 professional appraisers employed by the department of revenue. Of these, three are assigned to utility and railroad appraisals, three are assigned to the appraisal of shares of stock in domestic corporations and four are in supervisory positions. The 18 remaining appraisers are assigned to field work, primarily in assisting county boards of equalization. Perhaps one half of the total number are qualified to appraise industrial property. The department of revenue is now in the process of employing not less than 12 qualified appraisers.

Answer 8

No.

Answer 9

All real and personal property in Alabama is subject to the property tax except (a) institutions exclusively devoted to religious, educational or charitable purposes which are granted constitutional exemptions and (b) statutory exemptions as shown by the attached material. Specifically, motor vehicles, jewelry, furs, stocks, bonds, farm equipment and machinery are subject to taxation.

Answer 10

The Legislature of Alabama proposed and the citizens voted into the Alabama constitution, effective the tax year beginning October 1, 1972, a classification system dividing property into (1) farm and residential, (2) utility and railroad, (3) all property not included in classes 1 or 2. Class 3 includes personal and commercial property. The State ratios are 15 percent class 1, 30 percent for class 2 and 25 percent for class 3. The counties may assess these classes for taxation at ratios not less than 15 percent nor more than 35 percent of market value.

Answer 11

Persons and classes of property are exempted from taxation on the basis of the attached material. (Title 51, chapter 2, Code of Alabama.)

Answer 12

The State of Alabama does not have a greenbelt law.

Answer 13

The State of Alabama does not have a law which allows credit on any other tax or any kind of refund of any other tax because of property tax paid.

Answer 14

Prior to the 1972 amendment, all property, real and personal was required to be taxed on the same basis with limitations as to rates for the State and the counties and municipalities of the State. The provisions limiting rates were amended numerous times. The 1972 amendment sets out classes of property taxable on separate and different bases. This amendment also voids the rate limits fixed in the constitution and provides the procedures to be followed to increase or decrease rates in effect in each county and municipality on the initive and action by the county, with legislative approval of an increase required. There is also provided an overall maximum effective rate. (Copies attached, article XI, taxation and 1972 amendment, Constitution of Alabama.)

ALASKA

Answer 1

The total revenue generated within the State of Alaska from various State tax revenue and local property tax levies for fiscal year 1972 (July 1, 1971–June 30, 1972) amounted to $119,194,233. Of this figure 23.49 percent or $28,000,000 derived from property taxes levied and collected by municipalities. The remaining 76.50 percent or $91,194,233 was State tax revenue collected from various non-property tax sources. No statistics are available at this time concerning revenue generated from the municipal sales tax.

Answer 2

Local assessors are appointed by the chief executive of the municipality.

Answer 3

Yes, one local jurisdiction, the greater Anchorage area borough which has a population of 110,456 (35% of the State's population) and a real and personal property tax base of $1,660,976,670 (46.6% of the State's municipal tax base) provides salary incentive for appraisers who completed periodic special training. The State does not provide any such incentives and relies completely on municipally sponsored assessor-appraiser training.

Answer 4

The elected assembly or council sits as the Board for Equalization on valuation appeals. The assembly may, however, delegate this power to a board appointed by it for that purpose. AS 29.53.135.

Answer 5

There is no State-level tax assessment review agency and the State does not assess, levy or collect property taxes on any class of property. The standard of value to be used by municipalities for the purpose of property assessment is prescribed in Alaska statutes as follows:

> Sec. 29.53.060. Full and true value. (a) The assessor of a municipality shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section and sections 30, 35, and 160 of this chapter. The full and true value is the estimated price which the property would bring in an open market and under the then prevailing market conditions in a sale between a willing buyer and a willing seller both conversant with the property and with prevailing general price levels.

In the court case, *Hoblit* v. *Greater Anchorage Area Borough* (Sup. Ct. Op. No. 636) the court ruled that the borough has discretion to appraise by whatever recognized method of valuation it chooses, so long as there is no fraud or clear adoption of a fundamentally wrong principle of valuation. In 1963, the Local Affairs Agency, predecessor to the Division of Local Government Assistance, published the "Property Appraisal Manual for Alaska Assessors" which contains recommended methods and standards of appraisal. The methods and procedures as outlined in this manual were generally adopted and used by the various municipalities. In 1970 the agency published the "Residential Appraisal Cost Manual for Alaska Assessors." This manual was a complete revision of the residential section of the original manual. It contained 1970 construction cost data, a wider range of property types, specifications and area adjustment factors.

Answer 6

Assessment-sale ratio studies are conducted annually by the Division of Local Government Assistance and published in "Alaska Taxable, Municipal Property Assessments and Full Value Determinations." Copies of this publication are forwarded to State and municipal officials and are also available to other interested persons upon request. The assessment level for vacant and improved property and the overall district ratio is compiled for each taxing jurisdiction. The degree of assessment proficiency is also measured for each district by computing the co-efficient of dispersions.

Answer 7

No State agency is charged with the supervision of local property tax assessments. The Division determines annually the full value of taxable real and personal property within the State's 29 local school districts.

> AS 29.17.140. Determination of full and true value by the Department of Community and Regional Affairs. To determine the equalized percentage to be applied to basic need under sec. 21 of this chapter and the matching ratio for required local effort under sec. 71 of this chapter, the Department of Community and Regional Affairs, in consultation with the assessor for each district, shall determine the full value of taxable real and personal property in each district * * *

Although the department has no statutory authority to regulate or adjust local property assessments, the division's responsibility under the public school foundation program has provided each district with comprehensive information concerning its tax base and has directly stimulated borough and city districts toward more uniform and equitable local property assessments and increased excellence in the administration of the property tax. The Office of the State Assessor, within the Division, is responsible for the Department's Full Value Determination. The State Assessor is supported by a research assistant and a statistical clerk. The requested fiscal year 1974 budget for the State Assessor's office is $68,300.

Answer 8

Yes, considerable change in size of Alaska municipalities has occurred in the past decade. The structure of Alaska local government has changed from independent school districts, public utility districts and cities to unified home rule municipalities, organized boroughs and cities. Independent school and public utility districts were absorbed into the larger areawide borough form of governments.

Organized boroughs and unified municipalities are school districts and may levy and collect taxes on an areawide basis. Property taxes levied by cities, which are located within them, are collected by the areawide municipality and returned to the cities in full. Home rule and first class cities located outside organized boroughs may levy and collect taxes for education and municipal services. Second class cities—formerly fourth class—may levy a limited rate of tax for municipal services only. Education is provided by the State without levy to second class cities and unincorporated communities located outside an organized borough.

As of December 31, 1972, there were two unified home rule municipalities, nine organized boroughs and 122 cities organized under the laws of Alaska. Of these cities 95 are located outside of the corporate limits of organized boroughs as follows: 4 of the 12 home rule cities, 15 of the 20 first class cities and 76 of the 90 second class cities—formerly fourth class. There were seven second class cities organized during the 1972 calendar year. The North Slope Borough was incorporated on July 1, 1972 (see attached map). Six of the State's 29 local school districts did not levy and collect property taxes in 1972.

Answer 9

Yes, ad valorem taxes in general are collected by municipalities on nonbusiness vehicles, aircraft and boats and vessels. Intangibles are however exempt from ad valorem taxation in Alaska. Administrative policy concerning the assessment of personal property differs substantially from one taxing jurisdiction to another. Local political influences and economics in administration are the two primary causes for local exemption of one or more classes of personal property.

All municipalities which levy and collect taxes levy a tax on mobile homes. Exemptions range from the exemption of all personal property to the exemption of only one class of personal property.

Answer 10

No. The property tax rate of levy which is established annually by the borough assembly is applied to the assessed value of all property which is taxed by the borough.

Answer 11

Yes. Required exemptions are itemized in AS 29.53.020 as follows:

1. Government owned property.
2. Property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes.
3. Organizations composed of veterans with a minimum of 90-days active service in the armed forces of the United States.
4. The real property of qualifying senior citizens.
5. An option to municipalities is provided for exemption of private property used exclusively for community purposes and for historic sites.

Optional exemptions and exclusions are itemized in AS 29.53.025 as follows:

- (a) Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election.
- (b) Municipalities may be ordinance (1) classify boats and vessels for purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certified net tonnage; a tax based upon a tonnage valuation shall not exceed $5 a year for a boat or vessel of less than 5 net tons and shall not exceed $15 a year for a boat or vessel of more than 5 net tons; (2) classify and exempt from taxation—
    - (A) the household furniture over $500 in value and the effects of the head of a family or a householder; and
    - (B) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes, provided that income derived from rental of such property does not exceed the actual cost to the owner of the use by the renter; and
    - (C) historic sites, buildings and monuments.
- (c) The provisions of (a) of this section notwithstanding, (1) a home rule or first- or second-class borough may, by ordinance adopted without weighted voting, adjust its property tax structure of a city within it, including but not limited to, excluding personal property from taxation, establishing exemption, and extending the redemption period; (2) a home rule or first class city shall have the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes, provided that the

exemptions or exclusions have been adopted as to city taxes and further provided that the city appropriate to the borough sufficient money to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly without weighted voting.

(d) Exemptions or exclusions from property tax which have been granted by home rule municipalities in addition to exemptions authorized or required by law, and which are in effect on September 10, 1972, and not later withdrawn are not affected by this Act.

Not all municipalities make an effort to appraise and keep current values on exempt property, therefore, there have been no statewide statistics compiled or printed as of this date.

Answer 12

Yes. Alaska statutes provide for preferential assessment of farm use land.

> AS 29.53.035. Farm or agricultural lands. (*a*) Farm use lands shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain separate assessment records evaluating the farm use land for other than farm use purposes, where applicable. Should the farm use land be sold, leased, or otherwise disposed of, for other than farm use purposes, the owner shall be liable to pay the additional tax for the preceding 2 years, and the applicable portion of the current tax year, as though the land had not been assessed for farm use purposes.
>
> (*b*) An owner of farm use land must, to secure the assessment, make application to the assessor before February 1 of each year in which the assessment is desired. The application shall be made upon forms prepared and supplied by the assessor and shall include information which may reasonably be required to determine the entitlement of the applicant.
>
> (*c*) In this section "farm use" means the use of land for raising and harvesting crops or for the feeding, breeding, and management of livestock or for dairying or another agricultural use or any combination thereof and includes the preparation of the products raised on the farm use land and disposal by marketing or otherwise. It includes the construction and use of dwellings and other buildings customarily provided in conjunction with the farm use. To be farm use land, the owner must be actively engaged in farming the land, and derive at least one-fourth of his yearly gross income from the farm use land. The provisions of this section do not apply to land respecting which the owner has granted, and has outstanding, a lease or option to buy the surface rights. (§ 2 ch. 118 SLA 1972)

Answer 13

Yes, a program of property tax relief for qualifying senior citizens was enacted in June 1972 by the second session of the seventh State legislature.

The first year of operation of the program will be 1973, therefore at this time there is no information available concerning the number of qualifying applicants or the dollar amount of the tax which will be exempt from taxation.

> AS29.53.020(e) After January 1, 1973, the real property owned and occupied as a permanent place of abode by a resident 65 years of age or over whose gross annual income totals less than $10,000 is exempt from taxation of the assessed value of the real property. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption; however, in the case of more than one party eligible for an exemption with respect to the same property, the total combined gross annual income of the parties may not exceed $10,000. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560–44.62.570.
>
> (f) No exemption may be granted except upon written application for the exemption on a form prescribed by the State assessor for use by local assessors. The claimant must file the application no later than January 15 of the assessment year for which the exemption is sought and must file a separate application for each assessment year in which the exemption is sought. If an application is filed within the required time and is approved by the assessor, he shall allow an exemption in accordance with the provisions of this section. The assessor may at any time require proof in the form he considers necessary of the right and amount of an exemption claimed under this section, and in that respect may, as one form of proof, require authorization from the taxpayer to verify gross income level by reference to gross income shown in the latest State income tax return available for all or part of the assessment year for which an exemption is sought.
>
> (g) The State shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) of this section.
>
> (h) Nothing in (e)–(i) of this section affects similar exemptions from property taxes granted by municipalities on September 10, 1972, or prevents municipalities from granting similar exemptions by ordinance as provided in section 25 of this chapter. However, under (e)–(i) of this section only the

amount of revenue lost to the municipality by reason of the exemption authorized in those provisions may be reimbursed to the municipality by the State.

(i) In (e)–(i) of this section the term "real property" includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes. (Sec. 2, ch. 118, SLA 1972.)

Answer 14

Specific reference to the State's system of property taxation is found in Alaska constitution, article IX, as follows:

> Section I. The power of taxation shall never be surrendered. This power shall not be suspended or contracted away, except as provided in this article. This section refers to the State's power of taxation.
>
> Section II. The lands and other property belonging to citizens of the United States residing without the State shall never be taxed at a higher rate than the lands and other property belonging to the residents of the State. This section refers to nondiscrimination.
>
> Section III. Standards for appraisal of all property assessed by the State or its political subdivisions shall be prescribed by law. This section refers to the Municipal Code AS 29.53.060. Full and True Value.
>
> Section IV. The real and personal property of the State or its political subdivisions shall be exempt from taxation under conditions and exceptions which may be provided by law. All, or any portion of, property used exclusively for nonprofit religious, charitable, cemetery, or educational purposes, as defined by law, shall be exempt from taxation. Other exemptions of like or different kind may be granted by general law. All valid existing exemptions shall be retained until otherwise provided by law. This section refers to the exemptions as authorized by State law and outlined in question No. 11.
>
> Section V. Private leaseholds, contracts, or interests in land or property owned or held by the United States, the State, or its political subdivisions, shall be taxable to the extent of the interects. This section permits the taxation of private interests in government property.

ARIZONA

Answer 1

Not provided.

Answer 2

The county tax assessors are the only local assessors in Arizona, and they are not required to meet any professional qualifications.

Answer 3

Arizona has no salary incentives for assessors who complete special training courses; however, all of Arizona's assessors have voluntarily completed appraisal and assessment administration courses, and have enrolled many of their employees in these courses.

Answer 4

The county assessor and the county board of supervisors judge initial appeals on property tax assessments, and they are elected. They derive their authority to hear such appeals from the fact that they hold office.

Answer 5

The three members of the State level property tax appeals board are appointed for a term of 6 years by the Governor of the State. This board has the responsibility for hearing property tax appeals from decisions at the county level, and for equalizing property valuations throughout the entire State.

Answer 6

The Arizona State Department of Property Valuation conducts field ratio studies on a continuing basis, and they are distributed to the county assessors as working tools to maintain statewide equalization of values at market levels. All kinds of property for which there is sales data is included in the sales ratio study.

Answer 7

The annual budget for the State agency charged with supervision of property tax assessments is $1,400,000; however, this includes the cost of property tax data processing for 11 of Arizona's 14 counties. There are 72 professional staff employees, and there are 27 industrial appraisers.

Answer 8

There have been no changes in the size of assessment districts in the State of Arizona in the past 10 years.

Answer 9

The State imposes an ad valorem tax on livestock, farm equipment and machinery, and standing timber. In 1968, the electorate of Arizona voted to exempt household goods and furnishings from ad valorem taxation. This was motivated by the difficulty of applying standard valuation methods and techniques to the appraisal of such property.

Answer 10

The State of Arizona has a classification system setting up different levels of assessed value for different classes of property. This classification system was upheld by the U.S. Supreme Court. Briefly, the system provides that all property shall be valued at its full cash or market value for property tax purposes. Then, the assessed value is determined as a fraction of this amount, depending upon the classification. Producing mines, railroads, airline flight property, private car companies, and standing timber is assessed at 60 percent of market value. Gas, water, electric utilities, pipelines, and communications companies, are assessed at 40 percent of market value. All remaining commercial and industrial property and rented residential property is assessed at 25 percent of market value.All property not included in the above classifications is assessed at 10 percent of market value. This major grouping would include owner-occupied homes, vacant land, and all property used for agricultural purposes. There is one other classification, and that is producing gas and oil, which is assessed at 100 percent of market value.

Answer 11

The State exempts the real property owned by religious and charitable institutions and used exclusively for worship purposes from ad valorem taxation. Also, a certain amount of property owned by widows and veterans is exempt, provided proper application is made and the applicant qualifies under some rigid statutory requirements.

Answer 12

The State of Arizona has no "greenbelt" laws.

Answer 13

The State of Arizona has no provision for relief of property taxes.

Answer 14

The provisions of the Arizona constitution that make specific reference to the system of property taxation are article IX, sections 1, 2, 3 and 6, and article XX, section 5. Article IX, section 1, provides that the power of taxation shall never be surrendered, suspended or contracted away and that all taxes shall be uniform within the territorial limits of the authority levying the tax, and shall be levied and collected for public purposes only. Article IX, section 2, pertains to tax exemptions and provides for mandatory and discretionary exemption. Discretionary exemptions may be made by the legislature. All property not exempt from taxation is subject to taxation. Article IX, section 3, provides for an annual tax sufficient with other sources of revenue to defray the ordinary expenses of the State for each fiscal year. Article IX, section 6, provides that incorporated cities, towns and villages may provide for local improvements by special taxation of property benefited and that all municipal corporations have the authority to assess and collect taxes. Article XX, section 5, prohibits discrimination against nonresidents of the State in taxation and prohibits State taxation of the property of Indians on Indian reservations.

ARKANSAS

Answer 1

1971–72 fiscal year—Tax collections

	Amount	Percent
Revenue department collections	$468, 993, 744	75. 00
Property tax:		
Schools	113, 473, 205	18. 15
Cities	21, 006, 610	3. 36
County	21, 819, 365	3. 49
	156, 299, 180	25. 00
Total tax	625, 292, 924	100. 00

NOTE.—By constitutional amendment, Arkansas State government does not share in revenues derived from the property tax.

Answer 2

In Arkansas the county assessor serves as the appraiser and assessor for all taxing units—county, city and school districts. The assessor is elected for a 2-year term. The election laws do not require any educational or technical qualifications.

Answer 3

Because of constitutional salary limits it is not possible to provide salary incentives for assessors who complete special training course. The State provides an annual 3-day assessors training seminar. Attendance on the part of assessors is not mandatory.

Answer 4

Local appeal boards—county equalization boards—are empowered to make adjustments in assessments for the benefit of equalization only. Board members are appointed—one-third by the county judge; one-third by the majority of the members of school district boards; and one-third by the majority of elected city and town council members. Board members cannot hold other public offices.

Answer 5

Arkansas does not have a State-level tax assessment review agency, per se. The tax division of the public service commission does, by special statutes, assess utility and carrier property only. They are not empowered to supervise local assessment standards and administration.

Answer 6

The assessment coordination division of public service commission annually conducts an assessment ratio, which is not necessarily a sales-assessment ratio. The assessment coordination division issues value manuals, periodically, giving the assessors what is termed "full or actual values for residential, rural, commercial, industrial and tangible personal property." As a check on compliance, the above division conducts actual physical appraisal on 3 percent of the above properties, approximately every 3 years. The assessment ratio is the relationship between the division's 3-percent random sample appraisal and the assessors assessment of identical properties. Preliminary ratio studies are published August 1; final studies are published December 31. Equalization boards thus have the interval of approximately 5 months to make adjustments before the application of penalties for noncompliance.

Answer 7

As explained above, Arkansas has no agency charged with the supervision of property tax assessments. The combined personnel of the tax division (utilities and carriers) and the assessment coordination division (advisory duties) have a total of 35 employees. The combined budgets are approximately $420,000. Of the 35 employees, 19 are field appraisers or researchers. Two of the nineteen above are qualified to make industrial appraisals.

Answer 8

Since all property assessments are made by the county assessor, there have been no changes in assessment districts—merely the 75 counties, which are not subject to change.

Answer 9

Arkansas imposes an ad valorem tax on the following kinds of personal property mentioned in your questionnaire:

Motor vehicles;
Household goods and furniture;
Livestock;
Farm equipment and machinery.

By statute and usage standing timber is a part of the realty and so assessed.

The assessment of intangibles, while perfectly legal, is largely ignored by county assessors because of his inability to discover and evaluate such property.

None of the above classes of personal property have or can be exempted under Arkansas' constitution.

Answer 10

Arkansas' constitution at article 16, section 5, contains the following language: "No one species of property from which a tax may be collected shall be taxed higher than another species of property of equal value." This clause rules out any property classification system.

Answer 11

Again, quoting from Arkansas' constitution (art. 16, sec. 5):

> TAXATION EXEMPTIONS—GENERAL
>
> The following property shall be exempt from taxation: Public property used exclusively for public purposes; churches used as such; cemeteries used exclusively as such; school buildings and apparatus; libraries and grounds used exclusively for school purposes, and buildings and grounds and materials used exclusively for public charity.
>
> OTHER EXEMPTIONS FORBIDDEN
>
> All laws exempting property from taxation other than as provided in this constitution shall be void.

The State does not make or publish any regular assessment of value of tax-exempt property. The county assessor does, however, enter upon his records the value of such exempt property since this value is a part of the whole value of the county, city, or school district.

Answer 12

Act 188 of 1969 touches upon land use. It is permissive legislation giving the landowner the right to certify as to the use of his farm or timberland adjacent to municipalities and ask that such land be valued according to use without any application of an urban influence added to value. The use of the benefits provided by act 188 has not been exploited to any great extent as the constitutionality of the act has been vague and no court tests have been instituted.

Answer 13

In view of the above quoted allowable constitutional exemptions, no provisions exist for the relief of property taxes.

Answer 14

Aside from the above quotations from the Arkansas constitution, the only other pertinent language is contained in article 16, section 5, as follows:

> All property subject to taxation shall be taxed according to its value, that value to be ascertained in such manner as the general assembly shall direct, making the same equal and uniform throughout the State. No one species of property from which a tax may be collected shall be taxed higher than another species of property of equal value.

By action of the general assembly all property is assessed at 20 percent of its true or actual value. The rate of taxation or millage is set by the vote of the electorate. The average millage rate in the State is approximately 60 mills which figure multiplied by the assessed value gives an approximate 1.2 percent of value as an average taxation rate.

All revenues derived in the above manner are used for the support of county governments, city governments, and the support of public education. None of the revenues derived from the property tax go to the State government.

CALIFORNIA

Answer 1

$6,372 million [1]—46.1 percent.[1]

Answer 2

Elected—No.

However, the appraisers, whom the assessor supervises, must pass an examination and be certified by the State.

Answer 3

No salary incentives are provided for assessors (appraisers) who complete special training courses. All certified appraisers, however, must participate in 24 hours of training once a year, the cost of which is borne by the State ($158,000).

Answer 4

The board of supervisors or their appointees rule on all initial appeals from property tax assessments. They derive their authority to hear such appeals from their holding elective office.

Answer 5

Members of the State board of equalization, all elected officials, serve 4-year terms and hear all appeals where more than one jurisdiction is concerned. The board also hears appeals not settled by the local boards of supervisors. The board assesses public utilities and intercounty pipelines. It allocates the values thus determined among the taxing districts in which the property is located.

Answer 6

Sales-assessment ratio studies are conducted by the majority of of counties at least once a year. Questionnaires are sent to purchasers of real property; about 60–80 percent of questionnaires are answered. These studies are for county use only.

Answer 7

$4,179,000 (property tax administration only): 165 total professional staff. Seventeen industrial appraisers hired by the State (property auditor appraisers).

Answer 8

Assessment districts are determined by county boundaries which have been unchanged over 10 years.

---

[1] Based on estimates of local revenue for 1971–72.

Answer 9

California imposes a tax on all property not specifically exempt:

—The motor vehicle license fee is in lieu of all property taxes on automobiles.

—Household goods and furnishings, antiques and works of art, jewelry and furs, are all taxable under the law on amounts exceeding $100. For practical purposes, however, household items are not taxed.

—Intangibles are not taxed.

—Immature forest trees are not taxable (trees over 40 years are taxable).

—Livestock, per se, are not exempt. There is, however, an "in lieu" tax on livestock—in lieu of all property taxes.

Answer 10

No.

Answer 11

California exempts the following kinds of property from taxation:

a. Public property,

b. College property,

c. Property used for religious, hospital, or charitable purposes (includes churches and orphanages), and

d. Property of veterans.

The following table indicates the number of claimants and the amount of property tax saving for each of the different exemptions.

1971–72 fiscal year

Type of exemption	Number of claimants	Amount of relief
Veterans	388, 011	$43, 959, 000
Church	16, 336	52, 708, 000
College: Private nonprofit	234	28, 244, 000
Schools below college: Private nonprofit	1, 502	13, 813, 000
Hospitals: Private nonprofit	509	36, 622, 000
Other charitable properties [1]	6, 795	39, 844, 000

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[1] General welfare agencies, youth service agencies, orphanages, and religious properties other than churches.

Answer 12

Under the Williamson Land Conservation Act (1965), local government and landowners may enter into contracts to commit land to open space use. It is then valued and taxed at a lesser amount. Prior to 1971, the resultant revenue loss was borne by local government. In 1971, the program provided a plan to partially reimburse local government for the tax loss, at a cost of $13 million in 1972–73. Legislation enacted in 1972, increased the State reimbursement to $22 million in 1973–74.

Answer 13

The following table indicates the number of claimants and the amount of property tax relief for three major categories:

1971–72 fiscal year

Type of exemption	Number of claimants	Amount of relief
Relief:		
Homeowners	2, 607, 466	$223, 481, 000
Business inventory	NA	121, 026, 000
Senior citizens	56, 165	8, 289, 540

Business inventory exemption

Thirty percent of the assessed value of business inventories is exempt from property taxation. The exemption will increase to 45 percent in 1973–74 and 50 percent in 1974–75 and thereafter. The estimated property tax relief from this exemption will be $208 million in 1973–74.

Senior citizens property tax relief

The Senior Citizens Property Tax Assistance Law provides direct relief to senior citizens where the amount of relief is based on income and the amount of property tax accrued and paid by the claimant. The 1971 tax program increased the income limitation for eligibility from $3,500 to $10,000 and raised the percentage of tax relief to apply to the first $7.500 of assessed value rather than the first $5,000 of assessed value. In addition, the eligibility age was reduced from 65 to 62 years. In 1973–74 it is estimated that this will cost $62 million.

Homeowners' property tax exemption

1972 legislation increased the homeowners' property tax exemption (beginning in 1973) from $750 to $1,750. Relief from this source will total $647,250,000 in 1973–74.

Answer 14

Constitutional provisions for the property tax are contained in article XIII of the constitution.

COLORADO

Answer 1

The total property tax revenue in Colorado for fiscal 1972 is $492,007,621. This constitutes approximately 33.63 percent of all State and local tax revenue for fiscal 1972. The State of Colorado receives no property tax revenue.

Answer 2

There are 63 counties in Colorado. In 62 of the counties the county assessor is elected. In the city and county of Denver the assessor is appointed. As to the elected assessors, the only requirement for office is that they obtain more votes than their opponent. In the city and county of Denver the assessor is appointed by the manager of revenue. The appointment may be based on merit, or it may be based on political motivation.

Answer 3

Each year the Division of Property Taxation conducts a 1 week school at the University of Colorado for assessors and employees of the assessor's office. The State contributes $6,000 to this school which pays for the use of space and the fees of the instructors. The students furnish their own transportation, meals and lodging. This is a 3-year certificated course. After completing the basic course, which is prerequisite, the student may specialize in either personal or real property appraisal, and in real property, may further specialize in urban or rural appraisal. There are no salary incentives for those assessors that complete the 3-year certificated course.

Answer 4

In 62 counties of the State there are three elected county commissioners who are elected for overlapping 4-year terms. Between the second Monday in July and the last working day of July these three men sit as a county board of equalization. As a board of equalization they receive and hear petitions from all persons whose objections or protests have been refused or denied by the county assessor. In the city and county of Denver, the county board of equalization sits during the same period of time and is composed of the president of the city council and four of the mayor's appointed officials.

Answer 5

The anwser to this question will be divided into two parts:

a. A new agency in Colorado is the Board of Assessment Appeals. This is a three-man board appointed by the Governor for overlapping 6-year terms. If a county board of equalization denies the petition of the taxpayer, the taxpayer may appeal to the Board of Assessment Appeals no later than 30 days after such denial. The Board of Assessment Appeals came into existence by legislative act July 1, 1971.

b. Division of Property Taxation—The head of the Division of Property Taxation is the Property Tax Administrator who is appointed by the executive director of the Department of Local Affairs subject to the provisions of section 13 of article XII of the State constitution, which means appointment under a merit or civil service-type appointment. The Property Tax Administrator assesses and apportions the value of railroad, airline, electric, rural electric, telephone, telegraph, gas, gas pipeline carrier, domestic water, pipeline, street transportation, sleeping car, express, and private car line companies. He has no authority to assess properties, not enumerated, that operate in two or more counties of the State.

Answer 6

The Division of Property Taxation conducts and publishes an annual sales ratio study. Included in the sales ratio studies are residential, commercial, and industrial properties.

Answer 7

The Division of Property Taxation has a current budget of $529,441 which accounts for a staff of 32 persons. Thirteen may be classed as professional employees; 10 may be classed as professional employees of lesser stature, and four are qualified to do industrial appraisals.

Answer 8

At the present time, in addition to the 63 counties, there are approximately 181 school districts, 260 towns and cities, and 786 special districts. As in most States, this latter category seems to grow annually. However, as to major changes in assessment districts in the last 10 years, the city and county of Denver has annexed approximately 22 square miles. These annexations have decreased the county size of Jefferson, Arapahoe and Adams Counties, which surround the city and county of Denver. The only other small change occurred in 1970 when Dolores County annexed a small portion of Montezuma County.

Answer 9

a. *Motor vehicles.*—In 1963 the electorate amended the constitution (article X, section 6) which placed motor vehicles under a specific ownership tax, which tax is in lieu of all ad valorem taxation. In 1966, article X, section 6 was enlarged by the electorate to include mobile homes and mobile and self-popelled constuction equipment.

b. Household goods and furnishings.
Antiques and works of art.
Jewelry and furs .—In 1956 the electorate amended article X, section 3 of the State constitution and provided that the general assembly may, by law, exempt from taxation household furnishings and personal effects which are not used for the production of income at any time. This constitutional amendment was implemented by the legislature in 1957, and since 1957 household furnishings and personal effects that are not used for the production of income are not subject to assessment and taxation. If these items are used for the production of income, they are assesesd at 30 percent of actual value.

c. *Intangibles (stocks, bonds, savings accounts, and so forth)*.—In 1936 the electorate approved article X, section 17 of the State constitution. This amendment provided that the general assembly may levy income taxes—and in the administration of an income tax law, provide for special classified or limited taxation, or the exemption of tangible and intangible personal property. This amendment was implemented by legislation in 1937, which abolished the assessment and taxation of intangible personal property.

d. *Livestock.*—Livestock is assessed at 30 percent of the parity value of said livestock.

e. *Farm equipment and machinery.*—This category of property is assessed at 30 percent of the actual value of said property.

f. *Standing timber.*—1963, CRS, 137–2–3, provides: "Any increase in value of private lands arising from the planting of trees shall not be taken into account in determining the actual value of such lands for a period of 30 years from the date of planting the same, and such condition shall apply to all lands so planted; but in the event that prior to expiration of 30 years any such trees shall become sufficiently mature as to be of economic use and value, then any such increase in use and value shall thereafter be taken into account in determining the actual value of such lands." In 1966 the Department of Forest Management and Utilization of Colorado State University conducted a study of Colorado forest taxation. Because of the large amount of land in Colorado that is owned by the Bureau of Land Management or by the Forest Service, it was the conclusion of this study that there was very little timber of marketable value in Colorado under private ownership.

Answer 10

The valuation for assessment of producing mines is based on 25 percent of the gross proceeds, or upon the net proceeds whichever is greater.

The assessed value of oil and gas leaseholds and lands is based on an amount equal to 87½ percent of the gross value or selling price of the oil or gas produced, saved, and sold therefrom during the preceding calendar year.

In 1968 the assessment of merchandise inventories was based on 30 percent of the average investment during the preceding calendar year. By legislation, beginning with the year 1969, this assessment was dropped 5 percentage points each year, and for the year 1973 and each year thereafter will be assessed at 5 percent of the average investment. The legislature may have exempted this class of property but was not able to do so because of constitutional prohibition.

The actual value of agricultural lands, exclusive of improvements thereon, is determined by consideration of the earning or productive capacity of such lands during a reasonable period of time, capitalized at commonly accepted rates. The assessment is 30 percent of the actual value so determined. This law was enacted in 1967.

The actual value of a public utility is determined by the property tax administrator by giving consideration to the value indicators of historical cost of the plant, the gross net and operating revenues not to exceed the most recent 5-year period, and the average market value of its stock and debt. The assessment is 30 percent of the actual value so determined.

All other real and personal property is appraised and the actual value determined by consideration of the following factors insofar as the same shall be applicable to any property:

1. Location and desirability.
2. Functional use.
3. Current replacement cost, new, less depreciation.
4. Comparison with other properties of known or recognized value.
5. Market value in the ordinary course of trade.
6. Earning or productive capacity.

The assessment is 30 percent of the actual value so determined.

Answer 11

Section 4 of the Colorado's Enabling Act provides "that no taxes shall be imposed by the State on lands or property therein belonging to, or which may hereafter be purchased by the United States."

Article X, section 4, of Colorado's constitution and 1963 CRS, 137–2–1, as amended, exempts the property, real and personal of the State, counties, cities, towns, and other municipalities, corporations, and public libraries.

1963 CRS, 137–31–22–6, exempts the real property of nonprofit cemetery companies.

1963 CRS, 139–61–1 and 2, exempts the property leased by municipal corporations provided the property is leased for long-term rental and is used for proprietary purposes.

1963 CRS, 69–3–27, exempts the property owned by a housing authority.

1963 CRS, 139–62–10, exempts all property acquired by an urban renewal authority.

1963 CRS 137–2–1 (6), (7), and (8) as amended, exempts the property, real and personal, that is owned and used solely and exclusively for religious worship; that is owned and used exclusively for schools; and that which is owned and used exclusively for strictly charitable purposes. In determining that property which is used solely and exclusively for strictly charitable purposes, the Colorado Supreme Court has followed Grey's rule which, in turn, has incorporated much of the statute of Elizabeth.

In addition, under property owned and used solely and exclusively for strictly charitable purposes, Colorado's Legislature has granted tax exemption to those portions of senior citizens homes wherein the occupants are 62 years of age or over and whose income and assets are within 150 percent of the limits prescribed for low-rent public housing pursuant to chapter 8, title 42, United States Code.

1963 CRS 137–2–2, exempts the first $6,000 of assessed value of any parcel of improved real property owned by a church or synagogue that is used solely and exclusively as the residence or dwelling of a minister, preacher, priest, or rabbi.

1963 CRS 137–3–17 as amended gives the property tax administrator authority to determine the taxable status of that property which is owned and used solely and exclusively for religious worship, that is owned and used solely and exclusively for schools, and that which is owned and used exclusively for strictly charitable purposes.

Although some figures are available, at this point Colorado does not have the total value of tax exempt property.

Answer 12

Colorado does not have any greenbelt laws or restrictive agreements.

Answer 13

Effective July 1, 1971, Colorado enacted a modification of the circuit breaker law. House bill 1040 passed by the 1971 session of the legislature grants a property tax credit through the State department of revenue for those persons who are 65 years of age or older; who have resided within the State during the entire year for which credit is claimed; who do not have a net worth of $20,000 or more, and who have income of less than $2,400 if single, or less than $3,700 if married. The maximum credit that may be claimed is $200 minus, in the case of a single person, 10 percent of his or her income in excess of $500, and $200 minus, in the case of a married couple, 10 percent of their income in excess of $1,800.

Because the law did not go into effect until July 1, 1971, only half the normal credit was allowable the first year. To date, 12,402 people have applied for the tax credit, and the department of revenue has paid out $357,000. It is estimated that only 50 to 60 percent of those eligible have applied to date.

The sponsors of this legislation admit that the credit allowed to date is small, but that they wanted to have some idea of the fiscal impact before enlarging the tax credit.

Answer 14

Article X, section 3, of Colorado's constitution, in addition to providing for the exemption from taxation of household furnishings and personal effects, provides:

> All taxes shall be uniform upon each of the various classes of real and personal property located within the territorial limits of the authority levying the tax, and shall be levied, assessed, and collected under general laws, which shall prescribe such methods and regulations as shall secure just and equalized valuations for assessments of taxes upon all property. (Amended 1956.)

Article X, section 4, provides for the exemption of public property.

Article X, section 5, provides for the exemption of property, real and personal, that is used solely and exclusively for religious worship, for schools, or for strictly charitable purposes, also cemeteries not used or held for private or corporate profit, unless otherwise provided by general law. (Amended 1936.)

Article X, section 6, provides that the general assembly shall enact laws classifying motor vehicles and also wheeled trailers, semitrailers, trailer coaches, and mobile homes, and mobile and self-propelled construction equipment, prescribing methods of determining the taxable value of such property, and requiring payment of a graduated annual specific ownership tax thereon, which tax shall be in lieu of all ad valorem taxes upon such property. Article X, section 6, also provides that all laws exempting from taxation property other than that specified in this article shall be void.

Article X, section 15, makes provision for State and county boards of equalization, and provides that the county boards shall raise, lower, and adjust assessments to the end that valuations for assessment of taxes shall be just and equalized. (Amended 1962.)

Article X, section 3, which was amended in 1956, and article X, section 15, which was amended in 1962, eliminated from the constitution any requirement that all property be assessed at full cash value.

Article X, section 17, provides for the enactment of a State income tax and for the special classified or limited taxation or exemption of tangible and intangible personal property.

DELAWARE

Answer 1

Total property tax revenues are not tabulated on a regular basis by any State agency. However, according to the Bureau of Census report "Government Finances in 1970–71" that total property tax revenues in Delaware during fiscal years 1970–71 were $49 million. Total State and local tax revenues for that period were $278.7 million, which means 17.6 percent of total tax revenues were property tax revenues.

Answer 2

Appointed. They do not have to meet any professional qualifications as such. There is substantial on-the-job training in each county.

Answer 3

No salary incentives are provided. The only financial contribution has been in the form of a property assessment course offered by the State under title VIII of the Housing Act of 1964. The course is offered periodically at the University of Delaware.

Answer 4

Local appeals judges are appointed by each county to a board of assessment review. They do not derive their authority from holding other offices. They are strictly lay people appointed for specific terms. The procedures for property tax review are specified by State statute.

Answer 5

There is no State-level tax assessment review agency.

Answer 6

No agencies within the State conduct sales-assessment ratio studies.

Answer 7

There is no State agency charged with supervision of property tax assessment.

Answer 8

Yes. The property tax is administered in Delaware by county and municipal governments and also school districts. The three counties have not changed in physical size. In 1968 there were 49 separate school districts, but this number was reduced in 1969 through consolidation to 26. Several municipalities statewide have experienced annexation during the past 10 years.

Answer 9

Delaware does not impose an ad valorem tax on any of the personal property listed with the possible exception of motor vehicles depending upon interpretation. A 2 percent documents transfer tax is imposed whenever a motor vehicle changes ownership within the State.

Answer 10

No. The State constitution requires that all property be assessed uniformly. One possible exception is farmland which is discussed in detail under question 12.

Answer 11

Prior to fiscal year 1972, the State General Assembly was responsible for granting tax exemption to property owners. After fiscal year 1972 the counties and municipalities were given the right to grant these exemptions. Exemptions are usually given to elderly, low-income families. The State does not make or publish any regular assessment of the value of such tax-exempt property. This information was tabulated for fiscal year 1972, however, for a special survey and is shown under question 13.

Answer 12

Delaware has no Greenbelt or retroactive tax laws controlling land use. There is a preferential farmlands tax, however, and its purpose is to encourage the preservation of farmland and the State's natural resources. (Delaware State Code. Title 9. Dec. 8330 Subsection A.). A property owner who wishes to be eligible for this type of taxation may apply to the Farmland Evaluation Commission which is appointed by the Governor. This committee then evaluates the land based upon the soils and potential value of crops which could be grown. The assessment of the property is determined from the expected annual income the farmer could receive from the land. The farmer then has a choice of accepting the assessment of the committee or using the general assessment as applied to all properties.

Answer 13

As stated in Delaware State Code, Title 9, Sec. 8132 and Title 20, Sec. 1002, elderly families—over 65—that have low incomes—less than $3,000/person—are eligible for local property tax exemptions. Under this law the counties are required to exempt these people and the municipalities are permitted to if they so desire. In fiscal year 1972 the valuation of property exempted and the number of people affected were as follows:

	Valuation of exempt property	Number of persons affected
Kent County	$4, 630, 000	1, 163
New Castle County	14, 188, 000	3, 320
Sussex County	5, 612, 000	2, 822
Dover City		109
Newark City		68
Wilmington City		1, 300
Delaware total	24, 430, 000	8, 782

Answer 14

Article 8, Sec. 7 of the State Constitution states "In all assessment of the value of real estate for taxation, the value of the land and the value of the buildings and improvements thereon shall be included. And in all assessments of the rental value of real estate for taxation the rental value of the land and the rental value of the buildings and the improvements thereon shall be included. The foregoing provisions of this section shall apply to all assessments of the value of real estate or of the rental value thereof for taxation for State, county, hundred, school, municipal or other public purposes."

DISTRICT OF COLUMBIA

Answer 1

Total property tax revenue for the District of Columbia in fiscal year 1972 was $142,667,000. Total revenue from all taxes for the same period was $445,767,000. Property taxes revenues, thus, comprised slightly over 32.2 percent of all tax revenues collected in the District of Columbia for fiscal year 1972.

Answer 2

The administration of the property tax, as well as most other District taxes, is caried out by the Department of Finance and Revenue. The Department Director is an appointed official.

Answer 3

This question is not immediately applicable to the District's situation. We have an extensive training program for all employees including members of both the real property and personal property assessment staffs. This training consists of both in-service and outside training courses. The training schedule is related to the salary grade schedule in that course work is undertaken and skills are mastered, in order of increasing complexity, as an assessment appraiser, for instance, advances through the salary grade structure.

Answer 4

The Board of Equalization and Review of the District of Columbia is, by law and through reorganization acts, chaired by the Director of the Department of Finance and Revenue. Other members of the Board are appointed by the chairman and presently consist of both public and citizen members. The public members are employees of the Department of Finance and Revenue. The citizen members are from the private sector, mainly from the real estate field.

Answer 5

This question is not applicable to the District.

Answer 6

The Department of Finance and Revenue conducts a semiannual assessment-sales ratio study. Though the findings are not widely publicized, they are made available to both public agencies and to private parties with a legitimate interest. All land use and many geographic area categories are studied and reported.

Answer 7

There are approximately 135 persons employed in assessment administration. There are 35 real estate assessment appraisers. About 10 of these appraisers are qualified to value complex commercial and industrial properties. There are eight personal property tax auditors and two personal property appraisers. The balance of the staff are engaged in clerical, stenographic, drafting and other such functions. The motor vehicle excise tax, the property recordation tax, and various gross proceeds taxes, as well as the real and personal property taxes, are administered by the assessment administration office. The total budget for assessment administration in fiscal year 1972 was approximately $1,920,000.

Answer 8

Not applicable. The District constitutes a single primary assessment district.

Answer 9

Application of the ad valorem property tax to motor vehicles, household goods and furnishings, antiques and works of art, and jewelry came to an end in the District by legal exemption in 1954. In the case of motor vehicles, a flat registration fee was adopted as a substitute. Intangible properties were exempted from ad valorem taxation in 1939. The costs of taxing motor vehicles, household furnishings, etc., where effective compliance and equity were obtained, were deemed to be all but prohibitive when they were related to collections. Intangible taxes were phased out out when income taxes were adopted.

Answer 10

There are no classification provisions inthe District of Columbia property tax law. The minimum rate for the personal property tax, however, is lower than the minimum rate for the real property tax—as stipulated in the code.

Answer 11

Real property exempted from ad valorem taxation in the District of Columbia includes that owned by the U.S. Government, foreign governments (when used for legation purposes) and the District of Columbia government. Property is also exempted if used for charitable, educational or religious purposes. The list of property uses which qualify a property for exemption (District of Columbia Code of 47–801a) includes: (1) public art galleries; (2) public libraries; (3)

hospitals; (4) schools, colleges, universities; (5) properties housing various scientific research activities; (6) cemeteries; (7) churches and other properties used for religious properties; (8) pastorial and episcopal residences. There are specific characteristics of ownership (not for private gain) and terms of use as prerequisites to the general exemption under these general exemption clauses.

Additionally, many properties are specifically exempted by provisions of the District of Columbia Code. It appears that some of these properties would be exempted, as well, under the general provision.

All properties are valued for assessment purposes. The assessments of the tax-exempt properties are published on the roll.

A report of use must be filed on every property for which the exemption is claimed on an annual basis.

Answer 12

Not applicable to District of Columbia.

Answer 13

There are no property tax relief provisions in the District of Columbia systems.

Answer 14

Not applicable. All property tax law for the District is statutory.

FLORIDA

Answer 1

Total property tax revenues in Florida amounted to $1,052,572,401 in 1971 (1972 not available). Property taxes represented 44.12 percent of all taxes levied.

Answer 2

County tax assessors are elected for 4-year terms; professional qualification requirements have not yet been established.

Answer 3

At the present time only one county provides salary incentives for assessors and personnel who complete special training. Four other counties contemplate such action in the immediate future.

Answer 4

All members of the board of tax adjustment are elected. The chairman of the local governing body appoints three members of the local governing body to membership on the board. Two additional members are designated by the chairman of the school board from members of the school board. The board hears complaints against individual assessments and denials of exemptions from ad valorem taxation. Any decision rendered by this administrative review board is directly appealable to the State circuit court.

Answer 5

In Florida there is no State level tax assessment review agency. Railroad and telegraph property is centrally assessed by the ad valorem tax division, department of revenue. This department also is charged with the general supervision of local assessment standards.

Answer 6

The auditor general is charged with conducting an annual ratio study to determine the level of assessment in the several counties. This assessment to appraisal ratio is made on real property only at the present time and is distributed to local and State governmental agencies.

Answer 7

The annual budget of the ad valorem tax division is $612,292. Seven real estate appraiser II's and 17 real estate appraiser I's are employed by this department.

Answer 8

The assessment district is the county in Florida. There has been no change in the past 10 years.

Answer 9

Motor vehicles are subject to a license tax only. Any ad valorem tax on these vehicles is prohibited by the State constitution. Household goods and furnishings are exempt. Antiques, works of art, jewelry, and furs have no specific provisions. Intangibles are the subject of a State ad valorem tax. Livestock is subject to ad valorem tax. There is a constitutional provision for percentage assessment. Farm equipment and machinery have no specific provision as well as standing timber.

Answer 10

This State requires full just value on all classes of property, except inventory (25 percent), pollution control devices (salvage value), recreational land dedicated to that use (recreational value only), and agricultural so classified by the local assessor (at agricultural value only).

Answer 11

Exemptions of real property from ad valorem taxation: A homestead exemption of $5,000 is granted to property owners. The exemption is increased to $10,000 from taxes levied by school boards for current school operating expenses if the homesteader is 65 and has been a permanent Florida resident for 5 prior years.

Homestead property owned by totally and permanently disabled veterans is totally exempt. The exemption carries over to the widow should her husband predecease her. The same exemption is granted to disabled veterans confined to wheelchairs. Homestead property of quadriplegics is totally exempt.

Exemptions are granted for property used for exempt purposes: that is, charitable, religious, educational, scientific.

Property owned by any widow, blind person, or totally and permanently disabled person receives a $500 exemption.

Answer 12

County agricultural zoning boards annually classify land either agricultural or nonagricultural. Land is subject to reclassification when diverted to another use.

Answer 13

No redistribution of funds is made by the State to individuals in Florida.

Answer 14

Article VII, section 1(a), Florida constitution, 1968 as amended, prohibits State ad valorem taxes on real estate and tangible personal property. (Ad valorem taxation of real and tangible personal property is levied at the local level.)

Article VII, section 1(b), Florida constitution, 1968 as amended, makes the following items the subject of a state license tax but precludes ad valorem taxation: motor vehicles, boats, airplanes, trailers, trailer coaches, and mobile homes.

Article VII, section 2, Florida constitution, 1968 as amended, provides for a uniform rate of ad valorem taxation within each taxing unit.

Article VII, section 3, Florida constitution, 1968 as amended, exempts from taxation municipally owned property. This section also provides for a minimum exemption of $1,000 for household goods and personal effects to heads of households, and a minimum of $500 exemption for property owned by widows, blind persons, and persons totally and permanently disabled.

Article VII, section 4, Florida constitution, 1968 as amended, provides that assessment for ad valorem taxation shall be on the basis of just valuation except that agricultural land shall be assessed on the basis of character and use, and tangible personal property held for sale as stock in trade and livestock may be assessed at a percentage of value.

Article VII, section 5, Florida constitution, 1968 as amended, prohibits a personal income tax but allows a corporate income tax.

Article VII, section 6, Florida constitution, 1968 as amended, provides for the homestead exemption of up to $5,000. The provision includes those holding interests in condominiums and coooperative housing associations. Only one exemption may be allowed to an individual or family unit with respect to a residential unit. The exemption may be increased to $10,000 for real estate owned by those 65 or older or totally and permanently disabled.

Article VII, section 9, Florida constitution, 1968 as amended, sets the millage limitation for real and tangible personal property for school, county, and municipal purposes at ten mills.

GEORGIA

Answer 1

Total property tax revenues for fiscal 1972 were approximately $550 million. Property tax revenues were approximately 30% of all State and local tax revenue for fiscal 1972.

Answer 2

Local assessors are appointed by the governing authority of the county. Effective January 1, 1973, assessors must meet minimum qualifications. They must be not less than 25 nor more than 72; they must have 1-year's experience or complete a 40-hour course; they must have a high school diploma or its equivalent; they must successfully complete an assessor certification examination or successfully complete a 40-hour certification course; they must complete at least 40 hours of course work each 2 years they serve.

Answer 3

No salary supplements are given for assessors. However, legislation enacted in 1972 requires each county to employ a minimum appraisal staff to perform appraisal duties for the assessors. This staff must be qualified and full time. The State is authorized to supplement salaries for this staff, and it is anticipated that the State will fund one-half of the cost of the minimum staff Statewide.

Answer 4

The local board of equalization, effective in each county for 1973, is appointed by the grand jury. Three members and three alternates are chosen to serve for 1-year, and they hear all appeals for that year. This is the only involvement that this board has in the assessment process.

Answer 5

The State board of equalization is comprised of the attorney general, the State auditor, the chairman of the House Ways and Means Committee, the chairman of the Senate Banking and Finance Committee, and the State revenue commissioner. This board has the responsibility for reviewing and approving State assessments on railroad and public utility properties and the assessment of motor vehicle property. They also hear all appeals from railroad and public utility companies regarding property tax assessments. The board has no responsibility for reviewing local assessments, but it does prescribe procedures, etc., by which the local boards of equalization conduct hearings, etc.

Answer 6

The State auditor conducts annual sales ratio studies for each county. They are distributed to all boards of education, county governing authorities, and county taxing officials. Only real estate is included in this study.

Answer 7

Our property tax unit budget is $842,000 for fiscal 1973. It employs 11 staff appraisers. The size and budget for this unit will increase significantly as the property tax reform legislation is implemented.

Answer 8

No.

Answer 9

Yes; on motor vehicles, intangibles, livestock, farm equipment, and standing timber. Tax on household goods and furnishings was eliminated in 1970 primarily because of the difficulty of accurate appraisal. Little tax was derived from this category because of a $300 partial exemption in effect.

Answer 10

All tangible property is assessed at 40 percent of fair market value.

Answer 11

The following property is exempt from taxation:

(a) places of religious worship or burial; single family residential property owned by religious institutions from which no income is derived
(b) public property
(c) nonprofit hospitals
(d) nonprofit educational institutions
(e) institutions of purely public property.

Under law, this property is listed as a part of the county tax digest each year. Valuations will be required under new legislation.

In addition, Georgia has a $2,000 homestead regular exemption, and a $4,000 homestead exemption for certain elderly persons. Authorization has been provided for total school tax exemption on the homestead of certain elderly persons.

Answer 12

No special assessment for farm land exists.

Answer 13

(a) the regular homestead exemption of $2,000;
(b) the increased homestead exemption of $4,000 for persons 65 or older with an annual net income of less than $4,000;
(c) authorization for total school tax homestead exemption for persons 62 or older with an annual income of less than $6,000.

Answer 14

(a) Section 2–5404 of the Georgia constitution authorizes the homestead exemption provisions of Georgia statutes.

(b) Section 2–5403 requires that all taxation be uniform upon the same class of subjects, and it sets forth classification of property for tax purposes.

HAWAII

Answer 1

While the State department of taxation is the only governmental agency administering a real property tax program in Hawaii, nearly all revenue derived from this tax is turned over to the respective counties; only an amount equal to the cost of administering the program during the preceding tax year is withheld by the State during the current year. In fiscal year 1972, a total of $98,263,187 in real property taxes was collected. This represented approximately 19 percent of all State and local tax revenue.

Answer 2

The department of taxation, which administers all tax programs in the State, is headed by a director who is appointed by the Governor. Within this department, there is a tax assessor in each of the four tax districts (the boundaries of these districts coincide with that of the four counties in the State). These assessors are civil servants and are selected through the State civil service system. Job requirements, relating to experience and education, are set up by the State department of personnel services.

Answer 3

There are no salary incentives for special training.

Answer 4

There is no property tax administered at the local government level.

Answer 5

A board of review in each tax district constitutes the initial level of the appeal process in Hawaii. Each board consists of five members who are appointed by the Governor. Board members must be residents of the district for which the board is appointed and must have resided in the State for at least 3 years prior to the time of the appointment. An officer or employer of the State is not eligible for appointment to the board. The term for each appointment is 4 years; however, a person may serve for two terms but no more.

In regard to the question concerning intercounty property, specifically those owned by utilities and railroads, it should be noted that it does not present a problem in Hawaii. For one thing, utilities are not taxable in Hawaii. Second, being an island State, we are not faced with problems concerning properties overlapping two or more counties.

Answer 6

The State department of taxation conducts assessment ratio studies annually. These studies cover nonagricultural properties and are available to the general public.

Answer 7

The budget for the department of taxation for administering all tax programs was approximately $4½ million in fiscal year 1972. The real property tax program cost approximately $1.7 million. There were a total of 100 positions that were concerned only with the real property assessment program: this figure does not include employees collecting the taxes or those providing computer services. Among the 100 positions were 43 real property appraisers, five property valuation analysts, and 13 tax map draftsmen. There are no industrial appaisers.

Answer 8

No.

Answer 9

No. Hawaii has no personal property tax.

Answer 10

Yes. Briefly, Hawaii has seven general classes of property which were originally established in 1963. They are now grouped in four categories, as follows:

Category I	Improved Residential Agricultural Conservation
Category II	Unimproved Residential Hotel and Apartment
Category III	Commercial
Category IV	Industrial

Answer 11

Yes. Attached is a copy of the report entitled, "Tax Exemption and Tax Concession Report for the State of Hawaii (1970)" noted as exhibit A. Briefly, there are real property exemptions for the homeowner, the disabled, including veterans, leprosy, charitable, nonprofit organizations such as churches, educational institutions, hospitals, union, et cetera, public utilities, Federal land, State land, and county land, low- and moderate-income housing.

Answer 12

Yes. Hawaii's Greenbelt Act provides that farmers may dedicate their lands for agricultural use. The period of dedication is for 10 years. During this period the land is assessed for actual use, rather than for highest and best use. Should the farmer change the use during this period, he is taxed retroactively, based on the difference between an assessment based on actual use and an assessment based on highest and best use, plus interest. Attached is a copy of report entitled "Hawaii's Experiences in Zoning" for your information.

Answer 13

Only in the form of exemptions as covered under the answer to question 11.

Answer 14

The Hawaii State Constitution makes no reference to a "system of property taxation." The Hawaii Revised Statutes, however, do provide a system. Please refer to chapter 246 of the Commerce Clearing House booklet.

IDAHO

Answer 1

Property taxes are on calendar year basis. Taxes for 1971 were $108,701,755. Of this amount, the State received $240,000. This represents about 40 percent of all tax revenues.

Answer 2

Elected. No.

Answer 3

No. Provides minimal amount of schooling. Unavailable.

Answer 4

Elected. Yes. County commissioners. Formally set levies for all local tax jurisdictions, based on property valuation and dollar budgets.

Answer 5

Governor appoints State Board of Tax Appeals, subject to confirmation of Senate. Term is 3 years. No, this is function of tax commission. No.

Answer 6

State tax commission. On continuing basis. Annually, by State tax commission. All real property.

Answer 7

Budget is included with total of tax commission. A total of 23 persons, only one of whom is a certified appraiser, carry on this work. We have no industrial appraisers.

Answer 8

No material changes, except for addition of new taxing districts, such as recreation districts, et cetera.

Answer 9

Motor vehicles	No.
Household goods and furnishings	No.
Antiques and works of art	No.
Jewelry and furs	No.
Intangibles (stocks, bonds, savings accounts, et cetera)	No.
Livestock	No.
Farm equipment and machinery	Yes, local only.
Standing timber	

Inventory tax on livestock was phased out over a 5-year period, beginning 1967.

Answer 10

No. Classification has been held unconstitutional by Idaho Supreme Court ruling of 1967.

Answer 11

Yes. Homes of widows and elderly to limited degree; nonprofit corporations, if not used in profit generation; churches, schools, United States, and other government property.

Answer 12

No.

Answer 13

Exemptions up to $75 on homes of low-income elderly. Figures not available.

Answer 14

Article VII of the Idaho Constitution deals with many facets of property taxation—almost too exhaustively.

ILLINOIS

Answer 1

Approximately $2,518 million local property tax revenue collected in 1971. Approximately 34 percent of total State and local tax revenue.

Answer 2

In 100 counties in Illinois the supervisor of assessments—township counties—or county assessor—nontownship counties—is appointed by the county board from a list of persons who have passed an examination given by the Illinois department of local government affairs. Those persons must possess the minimum professional qualifications prescribed by statute. In one county, the county assessor is an elected official. In the remaining county, a five-member board of assessors is elected. In township counties, the township assessor is an elected officer. There are no required qualifications for the elected assessing officials.

Answer 3

Any assessor or deputy assessor who receives a certified Illinois assessing officers certificate from the Illinois Property Assessment Institute is compensated $250 per annum by the State. In addition a supervisor of assessments or county assessor who has received a certified assessing evaluator certificate from IAAO receives $500 per annum from the State.

Answer 4

In 85 of the township counties the chairman of the county board—elected—and two appointed members constitute the board of review. In two township counties, all members of the reviewing board are elected. In the 15 counties not having townships, the board of county commissioners also serves as the board of review. None of the members of reviewing boards have any other duty with reference to assessments.

Answer 5

Appointed by the Governor with the advice and consent of the Senate. Six-year term. The Illinois Property Tax Appeal Board has no direct assessment jurisdiction and do not have authority to supervise local assessment standards and equalization.

Answer 6

Department of local government affairs. Conducted annually. Publication is made annually of the study conducted for the calendar year prior to the year of publication. Sales of all classes of real estate (farm, residential lots, industrial, commercial, etc.) are included.

Answer 7

Annual budget of office of financial affairs in the department of local government affairs for fiscal 1973 is $1,550,100. Twenty-nine professional staff employees. No industrial appraisers.

Answer 8

No.

Answer 9

There is no State property tax. Local property taxes are imposed by law on all personal property (not otherwise exempt by reason of charitable, et cetera ownership and use) except one automobile per household used for personal pleasure purposes, one household of furniture per household, and tangible personal property used exclusively in farming (includes livestock, farm produce, and farm equipment and machinery). The exemption of one automobile and household of furniture was enacted in 1969 and first affected 1970 assessments. The farm property exemption was enacted in 1972 and affects 1972 assessments.

The 1970 Illinois constitution requires the abolition of all person property taxation on or before January 1, 1979.

Answer 10

The provisions of the 1970 Illinois constitution relating to classification of property for purposes of taxation is enclosed. No county has yet adopted an ordinance classifying real property. The only classification of personal property by the general assembly which has occurred is the exemption of the personal property noted above. The general assembly has also created two special classes of real estate in counties over 200,000 inhabitants (private airport land and farmland) and permits an owner to seek valuation as an airport or farm, as the case may be, rather than valuation based on highest and best use.

Answer 11

Real property exemptions are set forth in the attached statutory provisions. No compilation of the value of such property is made. (Chapter 120, section 500.)

Answer 12

The statutory provisions relating to farmland are enclosed. (Chapter 120, section 501a–1.)

Answer 13

A homestead exemption for persons 65 years of age or older of $1,500 reduction in equalized assessed valuation. A cash payment from the Illinois Department of Revenue for persons over 65 years of age or disabled who have an income of less than $10,000 per year. Both measures are first effective as to 1972 taxes payable in 1973.

A homestead exemption for disabled veterans and their widows owning and occupying specially adapted housing purchased or constructed pursuant to United States Code, title 38, chapter 21. First applicable to 1970 assessments.

In addition to the exemptions noted above, legislation enacted in 1972 allows each taxpayer a $5,000 standard deduction from the equalized assessed valuation of the personal property of such taxpayer. The standard deduction is applicable to assessments made in 1972 and thereafter.

Answer 14

Provisions are enclosed. (Article IX, sections 4–8.)

INDIANA

Answer 1

The total property tax levied in Indiana, 1971 pay 1972, was $1,142,623,212.50 per auditor of State office. Property tax revenues were 50 percent of all State and local tax revenue in 1970–71 per commission on State tax and financing policy.

Answer 2

Local (township and county) assessors are elected and, like virtually all elected officials, are required to meet no professional qualifications.

Answer 3

No. No.

Answer 4

Initial appeals from property tax assessments are decided in each of Indiana's 92 counties by a five-member county board of review consisting of three elected officials (county assessor, designated as president; county auditor, designated as secretary, and county treasurer) and two freeholders appointed by the judge of the circuit court.

The county assessor has all the statutory powers of the (township) assessor, which include authority granted the county auditor and county treasurer to serve notice of intent to assess any omitted or undervalued property of any taxpayer.

The county auditor maintains all assessment lists, schedules, statements, maps, and other books and paper filed by (township) assessors.

Answer 5

The Governor of Indiana appoints the three-member State board of tax commissioners for 4 years, his pleasure or discretion, or until successors are appointed.

Included in its responsibilities is the assessment, by the unit method of valuation, of public utilities, railroads, and private car lines.

The board prescribes rules, regulations, forms, and schedules used for assessment; instructs, assists, and supervises local assessing officials; and construes the property tax laws.

Answer 6

By statute the State board of tax commissioners develops and publishes an assessment ratio for each school district in each year in which a general reassessment of real property becomes effective and periodically when sufficient local reassessment warrants. The ratios have been published annually since 1970 and provided to each county auditor, assessor and school board by statute, and to other persons indicating need for such data. The ratio is that of assessed value to the regulatory standard of true cash value for residential, farm, commercial, and industrial property.

Sales ratio studies were conducted until the repeal of the Federal Documentary Stamp Act in 1967. The Indiana General Assembly provided in 1969 for an affidavit of value to be affixed to assessed valuation of real property transferred, then in 1971 it repealed this act.

Answer 7

The annual budget of the State board of tax commissioners for fiscal 1971–72 was $960,425.

64 professional staff employees
8 professional staff employees are qualified to appraise industrial properties

Answer 8

No.

Answer 9

The Indiana General Assembly in 1969 imposed effective 1971 an excise tax in lieu of an ad valorem tax on motor vehicles (passenger cars and motorcycles), primarily because it was believed many owners evaded the ad valorem tax.

Household goods and furnishings were removed from ad valorem taxation by legislative action in 1965, principally due to the thought that administrative costs were relatively excessive.

Intangibles, livestock, farm equipment and machinery are subject to ad valorem taxation.

Standing timber is not subject to ad valorem taxation.

Answer 10

No.

Answer 11

The Indiana constitution enables the general assembly to exempt by law real property used for municipal, educational, literary, scientific, religious or charitable purposes. Generally, exemptions in whole or in part from ad valorem taxation are granted for real property owned and/or used by: national, State, and municipal governments;

nonprofit educational, literary, scientific, religious and charitable purposes; cemeteries; certain historical sites; nonprofit rural water corporations; persons owning mortgaged property, those age 65 and over, the blind, disabled veterans, and widows of veterans; rehabilitated property, public airports; certain housing authorities, and navigation companies.

The auditor of State publishes annually the total assessed valuation, by category, of some of the above.

Answer 12

No.

Answer 13

No money, as the question suggests, is distributed directly to persons as individuals for property tax relief.

Answer 14

The constitution of the State of Indiana, article 10, section 1, States:

> (a) The general assembly shall provide, by law, for a uniform and equal rate of assessment and taxation and shall prescribe regulations to secure a just valuation for taxation of all property, both real and personal. The general assembly may exempt from property taxation any property in any of the following classes: (1) Property being used for municipal, educational, literary, scientific, religious or charitable purposes; (2) tangible personal property other than property being held for sale in the ordinary course of a trade or business, property being held, used or consumed in connection with the production of income, or property being held as an investment; (3) intangible personal property. (b) The general assembly may exempt any motor vehicles, mobile homes, airplanes, boats, trailers or similar property, provided that an excise tax in lieu of the property tax is substituted therefor.

IOWA

Answer 1

(*a*) Average total tax levied was approximately $768 million (1971 taxes collectible 1972).

(*b*) Almost 45 percent.

Answer 2

(*a*) Appointed by local conference board after qualifying by written examination conducted by director of revenue.

(*b*) Statutory requirement that only qualified electors of the State shall be eligible to take the assessor examination.

Answer 3

(*a*) No.

(*b*) State department of revenue makes a substantial financial contribution to schools of instruction for Iowa assessors.

(*c*) In excess of $1,000.

Answer 4

(*a*) Appointed by local conference board.
(*b*) No.

Answer 5

(*a*) By Governor of State subject to confirmation by two-thirds of members of senate.
(*b*) Six-year term.
(*c*) No responsibility to assess property.
(*d*) No. Not directly.

Answer 6

(*a*) Department of revenue, property tax division.
(*b*) Continuously, with an annual summary prepared.
(*c*) Published in form of annual summary report that is distributed to Iowa assessors and available for general public.
(*d*) Real estate, rural and urban, conveyed by warranty deed or contract of sale.

Answer 7

(*a*) Annual budget of property tax division is $311,750 (1972–73).
(*b*) Property tax division has 23 employees.
(*c*) One commercial/industrial appraiser at present.

Answer 8

"Assessment district" or "assessor's jurisdiction" is regarded as a county in the case of a county assessor, and as a city with a population of more than 10,000 in the case of a city assessor. Ninety-nine county assessors and 20 city assessors. One city assessor jurisdiction was terminated and became a part of a county assessor jurisdiction, eliminating one assessor.

Answer 9

Yes. Ad valorem tax levied on (*a*) antiques and works of art, (*b*) livestock (excepting swine and sheep) 1 year old and older; swine and sheep 9 months of age and older, (*c*) farm machinery, (*d*) standing timber.

Exempted from taxation within last 10 years were: (*a*) Household goods and furnishings, (*b*) jewelry and furs, (*c*) intangibles (moneys and credits.)

Answer 10

No.

Answer 11

(*a*) Yes.
(*b*) Real property of the Federal and State governments. Also, real property of a county, city, town, township, school corporation, levee district, drainage district, or military company of the State of Iowa, when devoted to public use and not held for pecuniary profit, cemeteries, fire equipment; property of associations of war veterans; libraries and art galleries; property of religious, charitable, benevolent, literary, agricultural, and scientific institutions and societies when used for their appropriate objects and not leased or otherwise held with a view to pecuniary profit; property held in the endowment fund

of an educational institution; certain agricultural produce; family or household equipment; public airports. Property to a certain valuation of war veterans. Credits against computed property tax are allowed owners of homesteads who qualify for same, and credits against tax are allowed owners of intangible personal property who qualify for same (credit not to exceed $2,700 of assessed valuation).

(*e*) The department of revenue will commencing with the year 1973 be in a position to release reported valuations on certain tax exempt property as is provided for in section 3, chapter 1104, "Laws of the 64th General Assembly, Second Session."

Answer 12

No.

Answer 13

Homestead tax credit (regular) is allowed to those who qualify for same each year. For 1971, there were in excess of 619,000 regular homestead tax credit claims allowed. For 1971, there were in excess of 66,000 claims allowed of homeowners over 65 years of age (additional homestead tax credit). For 1971, there were in excess of 100 claims of disabled war veterans for full homestead tax credit allowed. The regular homestead tax credits returned by the State to the counties amount to in excess of $35 million per year, while the additional homestead tax credits paid to the counties amount to in excess of $2,300,000, and the credits paid to the counties for the disabled war veterans tax credits exceed $63,000 per year. Personal property tax credits are approximately $30 million. Military service tax credits now exceed $3,200,000 per year. There is provision in the Iowa laws for a person who by reason of age or infirmity is unable to contribute to the public revenue to apply for suspension of property taxes, and such suspensions of taxes are handled locally, and the number of persons benefited is not reported to the department of revenue.

Answer 14

Article III, section 30, "Constitution of the State of Iowa," contains provision that the general assembly shall not pass local or special laws for the assessment and collection of taxes for State, county, or road purposes.

Article VII, section 7, "Constitution of the State of Iowa." Every law which imposes, continues, or revives a tax, shall distinctly state the tax, and the object to which it is to be applied; and it shall not be sufficient to refer to any other law to fix such tax or object.

Article VIII, section 2, "Constitution of the State of Iowa." The property of all corporations for pecuniary profit, shall be subject to taxation, the same as that of individuals.

KANSAS

Answer 1

Total property tax revenues in Kansas for fiscal 1971 were $512,-890,000.[1] This was 53%[2] of all State and local tax revenue that year.

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[1] Legislative Research Department, "Kansas Tax Facts, A Handbook on State and Local Taxes," Third edition, Pub. No. 265, October 1971, pp. 56 and 59.

[2] Ibid., pp. 56, 59, and 62.

Answer 2

County assessors in Kansas are elected in some counties, generally the more populous ones, and appointed in others. In many counties, the elected county clerk also serves as county assessor.

Answer 3

Kansas does not provide salary incentives for training of appraisers and assessors on the State level, but encourages special training. It is believed that there is an implied incentive in increased occupational effectiveness.

The State pays for technical training in terms of fees, tuitions, per diem, transportation, and regular salary at outside locations. Training held in Topeka is provided free of charge and generally during the employee's regular working day.

On the local level, many counties throughout the State provide moderate salary increases to assessment personnel completing assessment-oriented courses.

Answer 4

Local officials judging initial appeals from assessments are elected. They derive authority by virtue of holding the office of county commissioner. In their appeal function, they are referred to as the county board of equalization. They have no other involvement in assessment administration.

Answer 5

The Governor appoints members of the board of tax appeals to 5-year terms.

The board has review responsibility for local assessment by the counties, for State assessment of motor carriers, and for State appraisal of public utility firms, including telephone, pipeline, electrical, railroad, water, and radio common carriers.

On a review or appellate basis, the board indirectly supervises all assessment administration in Kansas.

Answer 6

The real estate section of the division of property valuation of the department of revenue conducts sales-assessment ratio studies on a continuing basis. The results are published annually and are distributed to legislators, State and county officials, and other interested persons. Rural and urban property, primarily residential, is included in these studies.

Answer 7

The annual budget of the division of property valuation was $930,737 for fiscal 1972. This organization employs two attorneys, 20 property appraisers, and five supervisors, as well as 10 to 12 clerical employees. Seven of the 20 appraisers might be considered "industrial appraisers" (public utilities and motor carriers).

Answer 8

No. The basic administrative unit of assessment has always been the county.

Answer 9

Kansas counties assess at 30 percent of fair market—retail—value:

Motor vehicles—except nonlocal motor carriers assessed by the State.
Household goods and furnishings used for production of income.
Antiques and works of art.
Livestock.
Farm equipment and machinery.
Standing timber—only as a part of real estate.
Household goods and furnishings are used for production of income are exempt, primarily because of administrative costs and taxpayer dissatisfaction.

Answer 10

The Kansas constitution provides that mineral products, money, mortgages, notes, and other evidences of debt may be classified as the legislature shall provide.

Additionally, statutes provide for two other exceptions to the usual 30-percent assessment rule. Merchants' inventories may be assessed at less than 30 percent because of allowance for certain cast deductions up to a maximum deduction of 40 percent of fair market value. Grain is taxed at 5 mills per bushel in lieu of 30 percent of fair market value. The merchants' inventory provision was passed by the 1972 session of the legislature.

Answer 11

Kansas exempts the following real property from ad valorem taxation:

(a) Buildings and grounds used exclusively for public worship or public education if not leased or otherwise used for profit.
(b) Cemetery lots and tracts for grave sites of individual owners.
(c) Real property actually used exclusively for literary, educational, scientific, religious, benevolent, or charitable purposes, as long as it is in no way used as an investment.
(d) Property belonging exclusively to the United States.
(e) Property used exclusively by the State of Kansas or any municipality or political subdivision of the State.
(f) Under certain conditions, property constructed or purchased by means of industrial revenue bonds or improvement district bonds, depending on specific statutory provisions.
(g) Property used exclusively by rural or township water districts.
(h) Property used exclusively in connection with the function of fire extinguishment.

Kansas does not publish the value of such property.

Answer 12

No.

Answer 13

Kansas has a Homestead Property Tax Relief Act which provides real estate tax relief to certain persons over 65 years of age by means of income tax credits and refunds. A total of 15,667 homesteads received such relief in fiscal 1972. Tax credits totaling $1,114,505 were granted that year under this program.[3]

Answer 14

> The legislature shall provide for a uniform and equal rate of assessment and taxation, except that mineral products, money, mortgages, notes and other evidence of debt may be classed and taxed uniformly as to class as the legislature shall provide. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, and all household goods and personal effects not used for the production of income, shall be exempted from taxation. (Article 11, #1)

The Kansas constitution also provides that:
- —the State has the power to tax income.
- —taxes must be for specific and explicit purposes,
- —an annual tax must be used for payment of interest and principal on any State debt, and
- —motor vehicle and motor fuel tax—but no general property tax—will be used for highways.

KENTUCKY

Answer 1

Total property tax revenues in Kentucky in fiscal 1972 was approximately $248.5 million which represented 21.6 percent of the total State and local tax revenue in that year.

Answer 2

Property valuation administrators who make the assessment for State purposes are locally elected in the counties in which they serve. Before any person's name shall be placed on the ballot he must hold a valid certificate issued by the Department of Revenue showing that he has been examined by it and is qualified to serve. There are no other qualifications other than being a resident of the county and at least 24 years of age.

Answer 3

There are no special salary incentives for assessors who complete special training courses. The department is required to hold an annual conference for purposes of instructing the assessors, and has, on occasion, held special schools conducted by its own staff. The State does not pay for special training.

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[3] Homestead Property Relief Refunds July 1, 1971, through June 30, 1972 (tab run) from Accounting Control, Department of Revenue (E. F. Brault), Dec. 13, 1972.

Answer 4

Members of the local board of supervisors—initial hearing body—are appointed on a staggered basis to 4-year terms by the county judge. They do not hold other offices, meet only at statutorily specified times, are compensated on a per diem basis for days actually in session, have authority to hear appeals only and have no other tax administrative responsibilities.

Answer 5

Responsibility for assessment review lies wholly with the Department of Revenue. This agency supervises local assessments and can reject assessments that do not meet the fair cash value standard or apply equalization increases to the aggregate assessment of any class of property. It also has responsibility for assessment of all corporations, companies, associations, partnerships or persons performing any public service—railroads, utilities, and so forth.

The Commissioner of Revenue is appointed by the Governor and the Director of the Property Division by the Commissioner with approval of the Governor.

Answer 6

The Department of Revenue conducts annual assessment-sales ratio studies. The results are published in the department's annual report by classes of real property, that is, residential, farm acreage, commercial, and industrial.

Answer 7

The budget of the General Property Tax Section of the Department of Revenue which directly supervises the assessment, recommends certain assessment, prepares and distributes manuals, directives, circulars and instructions is approximately one-half million dollars per annum. The staff has, at present, no industrial appraisers as such, however, all staff members are required to take courses in real estate appraisal sponsored by the American Institute of Real Estate Appraisers in order that they might assist the assessors.

Answer 8

There have been no changes in the size of assessment districts. The county in the primary assessment unit.

Answer 9

All items listed are subject to tax with the exception of household goods used in a person's home which are constitutionally exempt.

Intangibles are taxed at varying rates. Stock, bonds, account receivables from in-State business, out-of-State bank deposits, and so forth, are taxed for State purposes only at 25 cents per $100 of value. Bank deposits, including savings are taxed at .001 cent—virtual exemption—per $100 but this tax is paid by the banks.

Livestock and farm machinery, manufacturing machinery and raw materials are subject to State taxes only; the former items at .001 cent—virtual exemption—and the latter at .15 cents per $100 value.

Timber under a marketable size is considered a growing crop and is not taxed. Marketable timber is taxed at prevailing real property taxes.

For a more detailed breakdown of the classified property tax and rate structure, see attachment No. 1.

[ATTACHMENT 1]

Classified property tax rate structure

Class of property	1972 rate in cents per $100 of assessed valuation			
	State	County	City	School
Annuities	.1	None	None	None
Bank deposits	.1	None	None	None
Bank shares	47.5	19.0	19.0	38.0
Brokers' accounts receivable	10.0	None	None	None
Building and loan association capital stock	10.0	None	None	None
Car lines and irregular route common carrier truck companies	100.0	None	None	None
Distilled spirits	15.0	Full	Full	Full
Tobacco in storage	1.5	1.5	1.5	None
Other farm products in storage	1.5	4.5	4.5	None
Farm products in the hands of producer or agent	1.5	None	None	None
Intangibles, public service company nonoperating	25.0	None	None	None
Intangibles, with out-of-State situs	1.5	None	None	None
Intangibles, not elsewhere specified	25.0	None	None	None
Domestic life insurance:				
Capital	40.0	15.0	15.0	30.0
Reserves	.1	None	None	None
Credit union deposits	.1	None	None	None
Livestock and poultry	.1	None	None	None
Machinery:				
Agricultural	.1	None	None	None
Manufacturing	15.0	None	None	None
Marginal accounts	25.0	None	None	None
Property stored in public warehouses	1.5	None	None	None
Raw materials and products in course of manufacture	15.0	None	None	None
Real property	1.5	Full	Full	Full
Tangible personalty, not elsewhere specified	15.0	Full	Full	Full

Answer 10

See preceding answer and attachment. There are no classifications by assessment; the standard for all being 100 percent.

Answer 11

See attachment No. 2. (Section 170, State Constitution.)

Answer 12

See attachment No. 3. (Section 132.450, 454, State Code.)

Answer 13

Kentucky implemented a "homestead" exemption in 1972. It provides for exemption up to $6,500 for single-unit residential property owned and occupied as a home by persons 65 years of age or older. Approximately 130,000 persons qualified. There was on money distributed. The local tax rates were adjusted to pick up the potential revenue losses.

Answer 14

See attachment No. 2—constitutional provisions. (Sections 170–175, State Constitution.)

LOUISIANA

Answer 1

Total assessed value of all real and personal property in the State of Louisiana for the calendar year 1971 was $5,820,662,362. State and parish taxes amounted to $318,945,995.03.

Answer 2

We have 70 assessors in the State and they are elected for 4-year terms.

Answer 3

No.

Answer 4

When the assessor has completed his listings of property, the members of the policy jury, who are elected for 4 years, meet as a board of review and hear complaints of the taxpayers. They make recommendations to the tax commission.

Answer 5

The Louisiana Tax Commission is composed of a chairman and two members. They are appointed by the Governor to 6-year terms overlapping. This commission reviews the assessments made by the assessors covering all real estate and personal property. All public service property, such as railroads, pine lines, telephones, etc., is assessed directly by the commission.

Answer 6

Very seldom is a ratio study made. Few assessors make appraisal studies.

Answer 7

The budget of the commission is $515,000 for the fiscal year 1972–1973. There are 39 employees including the 3 commissioners. Of this number, 9 are field appraisers and 5 auditors. The 70 assessors in the State have their budgets also.

Answer 8

No.

Answer 9

Exempt by acts of Legislature or Constitution.

Answer 10

There are some 50 different classes of property. Each is assessed at a different percentage.

Answer 11

The State has an exemption for industrial property (manufacturing) for a period of 10 years. The cost of this exempt property amounts to over $4.8 billion.

Answer 12

No.

Answer 13

Over $80 million was appropriated by the State Legislature this past year and distributed to the parishes to cover taxes owed by homeowners.

Answer 14

Article 10, sections 1 through 22 of the State Constitution.

MAINE

Answer 1

Total property tax revenue (1972) (including estimated motor vehicle excise receipts of $12,870,000) $224,760,000.

Total State and local tax revenue (1972) (including unemployment compensation taxes of $15,243,000; not including net liquor and beer revenue of $19,219,000) $49,660,000.

Property tax revenues were 45.9 percent of total revenue (1972).

Answer 2

Local assessors in this State may be either elected or appointed. They are not required to meet any professional qualifications.

Answer 3

This State does not provide salary incentives for assessors who complete special training courses, nor do municipalities, so far as we know.

The State does provide for, and participate in, training programs for local assessors under legislation enacted in 1969, although completion of such training courses is not a prerequisite for employment as an assessor.

In 1972, approximately $20,000 was spent by the Bureau of Taxation on such programs.

Answer 4

If the municipality has a single assessor (rather than a board), there may be an appointed board of assessment review.

Otherwise, appeal is generally to the county commissioners, who are elected or, at the option of the taxpayer, directly to the superior court.

Appeals from forest land valuations may be made to a special three-member ad hoc forestry appeal board made up of the Forest Commissioner, ex officio, one member selected by the taxpayer, and one member selected by the local assessors.

Answer 5

The State-level assessment review agency is the superior court, whose members are appointed by the Governor for 7-year terms.

Inter-county property is assessed locally, not at the State level.

The State bureau of taxation has general supervision over local assessment administration; but no appellate authority.

Answer 6

The State bureau of taxation conducts sales-assessment ratio studies on a biennial basis. All taxable property is included. The resulting ratios are furnished to municipal assessors and are available on request but are not published (assessment ratios as certified by the local assessors to the bureau are published, and are admissible in evidence in tax appeal proceedings).

Answer 7

The 1972 expenditures of the property tax division of the bureau of taxation were $254,650. The staff included 15 professional or technical employees, and 9 clerical employees. No industrial appraisers are employed. (The property tax division serves as the primary assessing agency with respect to unorganized areas of the State, in addition to its activities in connection with municipalities).

Answer 8

There have been no changes in the size of assessment districts in this State in the last 10 years.

Answer 9

Motor vehicles are subject to an in lieu motor vehicle excise tax, which is an ad valorem property tax but not administered within the general property tax statutes.

Household goods have been totally exempt since 1959 (1969, in the case of musical instruments and TV's).

Intangibles have been totally exempt since 1961.

In both cases, the impracticability of finding and valuing the property had led to general failure to assess such property prior to statutory exemption.

Antiques, works of art, and furs would be exempt either as "household furnishings" or "wearing apparel" (unless constituting stock-in-trade). While jewelry is theoretically taxable, little, if any, is taxed due to difficulty of finding and valuing.

Livestock, farm equipment and machinery, and standing timber are taxable and generally taxed.

Answer 10

This State does not have a classification system (unless the farm and open-space land law, and tree growth tax law noted under question 12 can be so considered).

Answer 11

There are exemptions applicable to certain governmental and institutional real estate, and real estate of certain veterans and others. There is no exception for real estate apart from ownership and use. (Again, it is assumed that the value-in-use concept embodied in the farm and open-space land law and tree growth tax law is considered to fall within the scope of ad valorem taxation.)

Beginning in 1963, local assessors have been required to inventory all exempt real estate at 5-year intervals. The value of such inventories is doubtful, to say the least.

Answer 12

See attached material covering the farm and open space land law and the tree growth tax law. (Title 36, sections 571–593 MRSA; title 36, section 701–A, MRSA.)

Answer 13

See attached material covering the Elderly Householders Tax Relief Act, enacted in 1972. This year, approximately $1,650,000 will have been distributed under this program to approximately 16,000 applicants. (Chapter 503, Public Laws of 1971.)

Answer 14

A copy of article IX, sections 7 through 9, of the Maine constitution is attached.

MARYLAND

Answer 1

State, county, municipal, and special taxing areas. Property tax revenues in Maryland for fiscal year 1971 were $680 million. Income from local governments for 1972 not available at this time. Property taxes increase at annual rate of 10 percent (1972 would be $750 million). Revenues increase annually at rate of 10–12 percent. Property tax revenues in the State were 32 percent of all State and local tax revenues in fiscal year 1971.

Answer 2

For the 23 counties and Baltimore City, the chief assessor is the supervisor of assessments, and his technical staff of appraisers are designated as assessors. There are no stated statewide requirements to meet any professional qualifications. All local governments have been encouraged to establish minimum entrance examinations. (*a*)

Supervisors of assessments are appointed by the director of the State department of assessments and taxation from a list of five nominees submitted by the local government, except in Baltimore City, where the appointment is by the mayor of the city, after consultation with the director of the State department of assessments and taxation. (*b*) Assessors are nominated, according to State or local laws, by the local governments. They are examined and graded as to their qualifications by this department, and appointment to the position is made, according to State and local laws, by the local governing body. Once appointed, supervisors and assessors can only be removed from office by the State department of assessments and taxation for incompetency or other cause.

Answer 3

The State and local jurisdictions provide salary incentives for assessors who have attained the International Association of Assessing Officers' designation of certified assessment evaluators. This is a sum of $500 over the applicable scale for assessors who have not attained the "CAE" designation. The State sponsors training programs for all assessing officers, and provides for the training of new personnel. Upon satisfactory demonstration that the assessor possesses the required kills and knowledge, he is reclassified to the position of assessor immediately upon completion of such training.

Answer 4

Under Maryland law, the first level of appeal is to the county supervisor of assessments or his designated representative (generally, the assessor who made the field inspection, and estimated the value of the property). The second right of appeal is to the elected county commissioners or county council, as the case may be. In most jurisdictions, the county commissioners or county councils have designated appeal tax courts, who are by law, the final assessing authority in the county. In the case of county commissioners, their involvement in assessment administration extends to approving the supervisor's annual budget for the purposes of clerical personnel, operating expenses of the office, including space and other necessary facilities.

Answer 5

Assessment administration in the 23 counties and Baltimore City is under the control and direction of the State department of assessments and taxation. The director of that department is appointed by the Governor, and the term of office is indefinite, but is subject to mandatory retirement at age 70. Other assessing personnel in the State department of assessments and taxation's central office are charged with the duty of valuing railroad property, property of public utilities, franchise tax of domestic and foreign financial institutions, tangible personal property of foreign and domestic ordinary business corporations, and to provide direct supervision of the local supervisors and assessors in the counties and Baltimore City. Various appraisal aids, such as manuals and tax maps, and training in the appraisal techniques is supplied by the department to all local assessors.

On the State level, there is a Maryland tax court, the third level of appeal from the local assessments, or the second level of appeal from the decision from the director of the State department of assessments and taxation, in the case of assessments made at the State level. The Maryland tax court consists of five judges appointed by the Governor for terms of 6 years.

Answer 6

Sales-assessment ratio studies are conducted annually by a team in the department, consisting of trained appraisal and statistical personnel. Only real property is included in that study, and the results are published in the department's annual report.

Answer 7

In 1972 fiscal year, actual budget was $2,410,651. The professional staff of assessors currently numbers 12, having responsibility for supervision of local assessment offices. The number of central personnel, assessing personal property of corporations, railroads, and utilities, is eight. Large assessment jurisdictions have industrial and commercial property assessors. Technical assistance is provided to the small jurisdictions where special skills are infrequently required. Present plans are to establish a team of industrial appraisers on the State level for use on large, complex properties in jurisdictions where a full-time need for persons with these skills is not necessary.

Answer 8

Assessment jurisdictions in the State have remained unchanged since 1940.

Answer 9

The State does not impose an ad valorem tax on motor vehicles, household goods and furnishings, antiques or works of art, jewelry and furs, intangibles, livestock, farm equipment, standing timber.

Some local governments are authorized, and do levy taxes on farm livestock, farm equipment, and machinery. There has been considerable activity to eliminate the taxation of farm equipment and livestock, especially in the past 10 years, some by public local laws, and some by local governments acting on a general law which authorizes the complete taxation of all personal property, at the discretion of the local government.

Details of administrative costs of enforcement are not available.

Answer 10

Maryland's constitution, article 15 of the declaration of rights, was amended in 1960 to provide authority to the general assembly for the classification and subclassification of land. Under this authority, the general assembly enacted the so-called farmland preferential assessment law which requires the assessment of that class of land according to values consistent with the use of the land, rather than according to full cash value. A copy of the present law, relating to farmland assessments, is attached. In addition to this special classification, country clubs, on which there is maintained at least a regulation nine-hole golf course, are entitled to preferential assessment according to the estimated use value as a country club.

Answer 11

Approximately 25 percent of the total real property in Maryland is exempt from taxation. These exemptions are generally to property owned by all levels of government, religious organizations, nonprofit educational charitable institutions, et cetera. Under a 1972 law, current, up-to-date values must be placed on all exempt property, and a list of such property maintained in each local assessment office, and a copy supplied to the State department of assessments and taxation. Annual reports of the department will contain a summary of the totals by class and ownership.

Answer 12

The class of greenbelt laws are those described in (10) above. All other real property is subject to assessment on the basis of "market value." Special provisions in Maryland's tax laws delegates authority to local governments to grant a tax credit against local taxes for "open space areas," for scenic easements, when development rights or other dedications are provided for qualifying properties.

Answer 13

State law, article 81 (attached), permits the 23 counties and the city of Baltimore to provide tax credits based upon: (*a*) Age, income, et cetera; (*b*) certain disabled veterans and blind persons; (*c*) open space or open area. During fiscal year 1972, the above-cited provisions affected 59,000 persons, and the property tax relief amounted to $6,700,000.

Answer 14

A copy of article 15 of the Maryland constitution, providing for a levying of taxes and the classification of property is attached.

MASSACHUSETTS

Answer 1

53.53 percent. Real estate $1,695,913,822; personal property $155,912,756; motor vehicle $168,717,785. Total $2,020,544,363.

Answer 2

Generally appointed in cities and elected in towns. No qualifications.

Answer 3

No incentives. The State provides free training schools.

Answer 4

Local boards of assessors are both elected and appointed (generally elected in small municipalities, appointed in large). They also serve as administrators of assessments.

Answer 5

State bureau of local assessment is part of State civil service system. Members must pass examinations; serve until retirement age 65. They value utility property, advise but do not supervise local assessors.

Answer 6

State Tax Commission publishes equalized valuations, worked out biennially by State Bureau of Assessment. Studies are published biennially and include all property subject to local taxation.

Answer 7

Bureau of Assessment budget is part of Department of Taxation budget, and not calculated separately. Twelve staff employees that could be designated professional. No industrial appraisals are performed by the Bureau.

Answer 8

None.

Answer 9

Motor vehicles—yes.
Household goods and furnishings—no.
Antiques and works of art—yes.
Jewelry and furs—no.
Intangibles (stocks, bonds, savings accounts, and so forth)—no.
Taxed at State level as part of income tax.

Livestock—yes.
Farm equipment and machinery—If owned by persons engaged primarily in agriculture, $5 tax per $1,000 on a value determined by State for each class of animals.
Standing timber—yes. Subject to a special constitutional provision to be taxed at different rates; forest lands tax.

Personal property (household goods, jewelry, furs, antiques, art) was exempted in 1971 since not being uniformly administered, and considered impractical.

Answer 10

In general, no; exception, forest lands (1912); constitutional amendment (1972) to allow a special class for land used for horticultural and agricultural purposes.

Answer 11

Property of United States, Massachusetts, used for military, water company, qualified urban redevelopment corporations, housing authorities, special authorities, hospital insurance corporations, property owned by charitable and religious institutions. Not published.

Answer 12

No legislation as yet. Constitutional amendment to allow this just adopted November 1972. A conservation restriction agreement may be worked out between land owner and locality.

Answer 13

Over, and attached. (No statutory reference provided.)

Answer 14

See attached. (Part II, c. 1, s. 1, article IV; article XLI; article XLIV; article LXXVIII.)

MICHIGAN

Answer 1

The total property tax revenue in Michigan during fiscal year 1972 is estimated to be $2,063,280,112. Property tax revenues constituted 40.7 percent of all State and local tax revenue in fiscal 1972.

Answer 2

1. Assessing officers of townships are the elected township supervisors, number 1,247. There are 264 cities and the assessing officers are in almost all instances appointed. In four cities the assessing officer is elected.
2. The statutes do not provide for professional qualifications. It is safe to assume, however, that in cities where civil service systems are in effect professional qualifications are required of those serving in assessing offices.
3. As of December 31, 1972, all assessors will be required to have been certified as qualified by the State assessors board. As of this writing 45 percent have received the certificate.

Answer 3

Local jurisdictions do not, to our knowledge, provide salary incentives for completion of special training courses, other than any increments that might be provided under civil service regulations in cities.

The State is required to set up a training program for assessing officers leading to qualification and certification under act 203, P.A. 1969. The State does not make a contribution to the program in the manner of a subsidy, however, it does provide staff for the training program and in calendar year 1972 the expenditure was $21,100.

Answer 4

Boards of review, initial appeal from property tax assessments, in townships are elected. In cities they may be appointed or may hold office as a member of a board of review by reason of some other public office to which they have been elected or appointed; that is, city of Detroit the common council is the board of review.

Answer 5

Assessment review at the State level is by the State tax commission. It consists of three members appointed by the Governor for a 6-year term. The agency does not have responsibility for assessing intercounty property as such but does have responsibility under another act for assessing utility property, specifically railroad, telephone and telegraph, but not pipeline, electrical transmission and distribution, et cetera. The commission has responsibility for supervising local assessment standards and administration.

Answer 6

The State tax commission, county bureaus of equalization and local assessors all conduct sales-assessment ratio studies on a continuing basis. They are not published or distributed. Property which lends itself to sales ratio studies consists of residential, agricultural, resort and timber land.

Answer 7

The annual budget of the State tax commission, the agency charged with the supervision of property tax assessments, is $1,869,400. The commission employs 81 staff appraisers, 12 of which are industrial appraisers. This figure is exclusive of the three commissioners who are professionals.

Answer 8

There have been no changes in the size of assessment districts in the State for the last 10 years.

Answer 9

Motor vehicles	No.
Household goods and furnishings	No.
Antiques and works of art	Yes.
Jewelry and furs	Yes.
Intangibles (stock, bonds, savings accounts, et cetera)	No.
Livestock	No.
Farm equipment and machinery	No.
Standing timber	Yes.

Of the above classes of property, household goods and furnishings were exempt within the last 10 years. The reason for the total exemption is because it supplanted a partial, $5,000, exemption which was, for all practical purposes, a total exemption and the partial exemption was a cause for some enforcement problems. Farm property, including livestock and equipment and machinery was exempted within the last 10 years because of the desire on the part of the legislature to assist farmers.

Answer 10

The State does not have a classification system for property. The constitution requires uniformity.

Answer 11

Property of the United States Government.
Property of the State government.
Lands owned by any county, township, city, village, or school district used for public purposes.
Library, benevolent, charitable, educational or scientific institutions, and memorial homes of world war veterans.

Charitable homes of fraternal or secret societies.
Up to 400 acres of land owned by a boy or girl scout organization.
Hospitals.
Houses of public worship and the parsonage.
Cemeteries.
Hardship cases, those deemed to be eligible for exemption by the board of review.
Landing areas of private airports when available to the public without charge.

Answer 12

The State does not presently have any Greenbelt law, restrictive agreement or such, however, bills have been introduced for the purpose of granting partial exemption and/or tax treatment to agricultural lands and lands that would be held in the Greenbelt status.

H.B. 6229, copy attached, is an example of such legislation. This bill passed the house in 1972 but did not pass the senate.

Answer 13

Veteran's Homestead Tax Exemption:

This program provides property tax relief for veterans and servicemen (or their widows). To be eligible individuals must have been Michigan residents for at least 6 months prior to entering the Armed Forces and have been a resident of Michigan for at least 5 years prior to application for exemption. Incomes shall not exceed $7,500 and State equalized valuation of owned property shall not exceed $10,000. The amount of exemption varies with the degree of disability incurred during military service from $2,500 State equalized valuation to $4,500 State equalized valuation. A veteran receiving Veterans' Administration disability compensation is not subject to the income limitation. In fiscal year 1972, 60,494 veterans or their widows availed themselves of this exemption for a cost of $10 million.

Senior Citizen's Homestead Tax Exemption:

To be eligible for property tax relief, a senior citizen must be over the age of 65, a Michigan citizen for 5 of the last 10 immediately preceding years, and the combined income of the owners and occupants of the homesteads must not exceed $6,000. Up to $2,500 of the State equalized valuation of the homestead is exempt from taxation. During fiscal year 1972, 213,841 citizens availed themselves of this exemption for a total cost of $25 million.

Homestead Exemption for the Blind:

The homestead of a blind person is exempt up to $3,500 of State equalized valuation. In fiscal year 1972, 5,400 people availed themselves of this exemption for a cost of $950,000.

Property Tax Credit:

In addition to the above, a credit against the State income tax liability is allowed for property taxes paid. Seventeen percent of rent is considered the property tax paid by renters. The credit cannot exceed the income tax liability. The credit is calculated according to the following schedule:

If property tax is:

Less than $100, the credit is	20 percent of the property tax.
Less than $150 but greater than $100, the credit is	$20 plus 10 percent of the excess over $100.
Less than $200 but greater than $150, the credit is	$25 plus 5 percent of the excess over $150.
Less than $10,000 but greater than $200, the credit is	$27.50 plus 5 percent of the excess over $200.

It is estimated that in fiscal year 1972, 2 million people claimed this credit for a cost of $95 million.

Answer 14

Constitutional references to the property tax are as follows:

Article IX—Finance and Taxation

Sec. 3. The legislature shall provide for the uniform general ad valorem taxation of real and tangible personal property not exempt by law. The legislature shall provide for the determination of true cash value of such property; the proportion of true cash value at which such property shall be uniformly assessed, which shall not, after January 1, 1966, exceed 50 percent; and for a system of equalization of assessments. The legislature may provide for alternative means of taxation of designated real and tangible personal property in lieu of general ad valorem taxation. Every tax other than the general ad valorem property tax shall be uniform upon the class or classes on which it operates.

Sec. 4. Property owned and occupied by nonprofit religious or educational organizations and used exclusively for religious or educational organizations and used exclusively for religious or educational purposes, as defined by law, shall be exempt from real and personal property taxes.

Sec. 5. The legislature shall provide for the assessment by the State of the property of those public service businesses assessed by the State at the date this constitution becomes effective, and of other property as designated by the legislature, and for the imposition and collection of taxes thereon. Property assessed by the State shall be assessed at the same proportion of its true cash value as the legislature shall specify for property subject to general ad valorem taxation. The rate of taxation on such property shall be the average rate levied upon other property in this State under the general ad valorem tax law, or, if the legislature provides, the rate of tax applicable to the property of each business enterprise assessed by the State shall be the average rate of ad valorem taxation levied upon other property in all counties in which any of such property is situated.

Sec. 6. Except as otherwise provided in this constitution, the total amount of general ad valorem taxes imposed upon real and tangible personal property for all purposes in any 1 year shall not exceed 15 mills on each dollar of the assessed valuation of property as finally equalized. Under procedures provided by law, which shall guarantee the right of initiative, separate tax limitations for any county and for the townships and for school districts therein, the aggregate of which shall not exceed 18 mills on each dollar of such valuation, may be adopted and thereafter altered by the vote of a majority of the qualified electors of such county voting thereon, in lieu of the limitation hereinbefore established. These limitations may be increased to an aggregate of not to exceed 50 mills on each dollar of valuation, for a period of not to exceed 20 years of any one time, if approved by a majority of the electors, qualified under section 6 of article II of this constitution, voting on the question.

The foregoing limitations shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments or contract obligations in anticipation of which bonds are issued, which taxes may be imposed without limitation as to rate or amount; or to taxes imposed for any other purpose by any city, village, charter county, charter township, charter authority or other authority, the tax limitations of which are provided by charter or by general law.

In any school district which extends into two or more counties, property taxes at the highest rate available in the county which contains the greatest part of the area of the district may be imposed and collected for school purposes throughout the district.

MINNESOTA

Answer 1

Fiscal 1972 property tax collections were $876 million. This is 39 percent of the total State-local tax collections in fiscal 1972. However, this figure is misleading. Fiscal 1972 includes one-half of calendar 1971 property levies and one-half of calendar 1972 property levies. The property levy in calendar 1971 totaled $913 million. In 1972, due to a massive State tax reform, this fell to $840 million while nonproperty taxes rose. The 39 percent figure is thus too high to describe Minnesota's current balance. The estimate for fiscal 1973 would be that property taxes will account for 30 percent to 33 percent of the total State and local taxes.

Answer 2

Property tax assessors are appointed. Under the terms of a 1971 law, all assessors employed by public bodies after December 1, 1974, must be certified as qualified by a State Board of Assessors created by the same law.

Answer 3

The State does not provide salary incentives. The practice among local units varies. The State pays the tuition of local assessors who attend the State Assessor's School. Cost: $40,000.

Answer 4

The first review authority is elected. The members of the review board hold the position by virtue of other offices. The office is that of the authority which employs the assessor (town board, city council, county commissioner). The county commissioner hears appeals from lower boards of review.

Answer 5

The State review agency is the State commissioner of taxation, a gubernatorial appointee. The commissioner has the responsibility of equalizing assessment levels between assessing districts. The commissioner can and does order changes when he finds disparities. Yes.

Answer 6

The equalization aid review committee, normally consisting of the commissioners of taxation, education, and administration, is staffed by a section of the State tax department. The studies are conducted every year. The results are published every year and distributed to any interested party. All taxable property is included.

Answer 7

Fiscal 1972 appropriations for the property tax division is $196,000. Of the 17 employees, eight are professional appraisers who deal with all types of property. This separate from the EARC section, which does sales-ratio studies.

Answer 8

Assessment districts are growing larger as local township assessors are gradually being replaced by county assessors. Under a 1969 law, all counties have county assessors, but they do not assess property directly unless a township or municipality fails to hire an assessor. The requirement mentioned in question No. 2 is expected to eliminate many local township assessors. County assessors would then automatically take over if there is no qualified local assessor.

Answer 9

The motor vehicle license is figured on an ad valorem basis. Household goods and furnishings—exempt; antiques and furs—exempt; intangibles—exempt; livestock—exempt; farm machinery and equipment—exempted in 1967 (the State provided reimbursement to local governments for the loss of tax base); standing timber—exempt (unless a county chooses to tax timberlands on the basis of the annual value of timber growth in lieu of real property taxes).

Farm equipment and machinery were exempted in 1967 at the same time business personal property was partially made exempt. The chief reasons for exemption was the inherent regressiveness of an ad valorem tax.

Answer 10

Attached is a summary of the Minnesota classification system.

Answer 11

Railroad and telephone property are exempted from ad valorem taxation and pay a gross earning tax in lieu thereof. Property of taconite iron mining and taconite processing plants are exempt and pay a per ton production tax in lieu thereof. Property of religious institutions and schools are exempt. Public property is exempt. No.

Answer 12

The "green acres" law provides that farmland near developing urban areas may file for valuation on its value of agricultural purposes rather than at its highest use. The land is then given an assessment as farmland and taxed at this value, and a separate assessment at its highest use at current market value. If the land is changed to a nonfarm use, back taxes on the separate assessment are made for up to 3 years' back taxes.

Answer 13

The State pays the 35 percent of the nonbonded debt property tax on every homestead up to a $250 maximum. In fiscal 1972, this cost $127,400,000 for approximately 875,000 homesteads. A "circuit breaker" property tax credit for senior citizens operates in addition to the 35 percent homestead credit. It pays a portion of the property tax of an over-65 homeowner or part of the rent of an over-65 renter on a sliding scale, depending on income. The scale is roughly 90 percent payment at the lowest incomes, to 5 percent at the $5,000 income cutoff. The cost in fiscal 1972 was $8,139,000. And 91,049 senior citizen households received benefits which averaged $89.40 each. Ordinary renters receive a renter tax credit of 7½ percent of their gross rent up to a $90 maximum. In fiscal 1972, 171,113 renters received $12,654,036 in credit. Homeowners in areas of ad valorem tax-exempt taconite plants received an additional 22 percent credit on their property taxes, amounting to $2,814,419. This credit is financed by the per ton taconite production tax. State law also requires that taxes on agricultural land is 8¼ mills below that of other property. The State pays the cost of this difference. The 1972 cost was $7 million. However, only a one-half payment fell in fiscal 1972. The fiscal 1973 cost is about $18 million.

Answer 14

> Power of taxation: legislature may authorize. Section 1. The power of taxation shall never be surrendered, suspended, or contracted away. Taxes shall be uniform upon the same class of subjects, and shall be levied and collected for public purposes, but public burying grounds, public schoolhouses, public hospitals, academies, colleges, universities, and all seminaries of learning, all churches, church property and houses of worship, institutions of purely public charity, and public property used exclusively for any public purpose, shall be exempt from taxation except as provided in this section, and there may be exempted from taxation personal property not exceeding in value $200, for each household, individual, or

head of a family, and household goods and farm machinery, as the legislature may determine; *Provided*, that the legislature may authorize municipal corporations to levy and collect assessments for local improvements upon property benefited thereby without regard to a cash valuation. The legislature may by law define or limit the property exempt under this section, other than churches, houses of worship, and property solely used for educational purposes by academies, colleges, universities, and seminaries of learning. (Copies from the Minnesota State constitution, article IX, finances of the State and banks and banking).

MISSISSIPPI

Answer 1

(*a*) $165,350,000 estimated.
(*b*) 21.5 percent.

Answer 2

(*a*) Elected.
(*b*) No professional qualifications required.

Answer 3

(*a*) No.
(*b*) No.

Answer 4

(*a*) Elected.
(*b*) County supervision.
(*c*) Equalize assessment.

Answer 5

(*a*) Have three-man tax commission; 6-year appointment.
(*b*) Yes, utility and railroads.
(*c*) Yes.

Answer 6

(*a*) State tax commission conducting one at present.
(*b*) This is first one.

Answer 7

(*a*) $109,370.
(*b*) Eight.
(*c*) Two.

Answer 8

(*a*) Not to speak of except the county redistricting (supervision districts) has been a real complicated and troublesome thing.

Answer 9

Motor vehicles, Yes.
Household goods and furnishings, No.
Antiques and works of art, No.
Jewelry and furs, No.
Intangibles (stocks, bonds, savings accounts, etc.), Yes.

Livestock, No.
Farm equipment and machinery, No.
Standing timber, No.

Answer 10

No.

Answer 11

(*a*) Homestead up to $5,000 including 160 acres.
(*b*) Industrial real up to 10 years at discretion of local boards.

Answer 12

No.

Answer 13

Homeowners and industrial (see question 11).

Answer 14

Section 112 of State constitution requires equity in property taxation.

MISSOURI

Answer 1

The total real and personal property tax revenue in the State of Missouri collected by county and other local political subdivisions was in the amount of $672,100,000 in 1970. This total included school taxes, municipal taxes, and county and other unit taxes. Also in this total was $3,899,000 collected at county level on behalf of the State of Missouri and has a levy of 3 cents per $100 valuation on all real or personal property. The percentage of this pension tax compared to the total tax collected is 0.0058 percent. The Missouri Public Expenditures Survey, an independent research group, estimates that the 1971 property tax total in this category will be approximately $720 million, and it is believed that the 1972 total collections could reach $750 million.

Answer 2

The local property tax assessors in second-, third-, and fourth-class counties in the State of Missouri are elected. In the two first-class counties, under charter forms of government, and in St. Louis City (not within a county), assessors are appointed. The qualifications are listed in section 82.560, RSMo., 1969, for charter city assessors. With respect to the qualifications for assessor in St. Louis County, a first-class charter county, they do require professional knowledge and actual experience in assessing procedures, as well as technical knowledge involving construction methods and procedures. We believe that here the assessor is primarily an administrator over a sizable group of people who do the on-the-spot assessing. We do not have any current information on Jackson County which very recently went under a charter form of government.

Answer 3

Amendments to chapter 53, RSMo., 1969, relating to county assessors, provide for an incentive increase in salary, based upon the total assessed valuation of the county. It is not directly related to training but has an incentive. The State of Missouri, generally, pays half of the cost of assessing in the counties. This is not directly related to training but to the overall operation of the assessor's office. The amount of these payments to all counties and the city of St. Louis is currently approximately $2 million statewide. (Also see attached, 53.091 RSMo., 1971.)

Answer 4

In second, third, and fourth class counties, appeals from property tax assessments are reviewed by the county board of equalization, which consists of county judges, assessor, county clerk, and county surveyor. All of these offices are elective. In the first class counties and the city of St. Louis, a similar system is employed; however, the reviewing board here consists of appointed officers. They do derive their authority to hear such appeals in most cases from the fact that they hold another office and in some cases, as in the county commissioners and judges, they could be indirectly involved in the assessment administration.

Answer 5

The State level tax assessment review agency in the State of Missouri is the Missouri State Tax Commission. They are appointed by the Governor with the advice and consent of the Missouri Senate. Their term of office is 6 years and the terms are staggered so that one member of the commission is appointed every 2 years. The State Tax Commission does not have responsibility for assessment of intercounty property except that all utility and railroad property is valued by the tax commission at State level with a distribution of value to the counties and political subdivisions involved.

The tax commission has authority to equalize between counties but has little, if any, authority in intercounty assessments except as a final review board.

Answer 6

The Missouri State Tax Commission does conduct sales-assessment ratio studies. They are made annually and are distributed to the Missouri Department of Education primarily. Basically, the ratio studies are upon real property.

Answer 7

The annual budget of the Missouri State Tax Commission is $350,000. The commission does not have any professional appraisers or industrial appraisers.

Answer 8

The primary assessment districts, the 114 counties and the city of St. Louis, have not been changed in the last 10 years. At a secondary tax district level that of school districts, there have been changes due to consolidation and reorganization.

Answer 9

The State of Missouri has an ad valorem tax upon the types of property listed; however, the ad valorem tax on intangibles was repealed, effective January 1, 1975, and there is proposed legislation now before the legislature which would exempt household furnishings from property tax. Some of the considerations for the repeal of intangible tax was that it was considered by many people to be a form of double taxation as most of the items subject to intangible tax are also included in their income tax base. In the case of the household goods and furnishings, the reason most commonly advanced in the repeal of this tax was the difficulty in enforcement.

Answer 10

The State of Missouri does not have a classification system setting different tax levels on different classes of property. There is, however, contemplation of legislation in that area.

Answer 11

Section 6, article 10 of the Constitution of Missouri exempts certain classifications of property from taxation. (See attachments.) Missouri does not make nor publish at State level any regular assessments on exempt property.

Answer 12

No such system exists in the State of Missouri.

Answer 13

A constitutional amendment was approved in November 1972, which authorized the general assembly to exempt household goods from ad valorem taxation, and to enact legislation providing for tax relief for persons over the age of 65. A copy of this amendment is attached. There is legislation pending at this time for abolishing the tax on household goods and for exemptions or relief for persons over 65.

Answer 14

Article 10 of the Constitution of Missouri defines the structure of Missouri taxation in general.

MONTANA

Answer 1

(*a*) The sum of $184,308,064.
(*b*) Forty-six percent.

Answer 2

(*a*) Elected at the county level.
(*b*) No.

Answer 3

(*a*) No salary incentives.

(*b*) The State sponsors an annual appraisers school. The cost of attendance is borne by the county; the cost of the school is borne by the State. The last school (fiscal 1972) cost the State approximately $5,000. In addition, State appraisers spend time training elected county assessors in the various counties as time permits.

Answer 4

(*a*) The local appeal bodies (county boards of equalization) are elected.

(*b*) They are the three county commissioners in each county,

(*c*) Since the county commissioners establish the property tax mill levy rate, they are involved with administration as well as appeals. In addition, the county commissioners assess all real property. They are placed in the position of hearing appeals on their own assessments in many cases.

Answer 5

(*a*) The three-member State board of equalization is appointed by the Governor.

(*b*) The members serve overlapping 6-year terms. Not more than two members may be from the same political party.

(*c*) The State board assesses all intercounty such as railroads, utilities, pipelines, telephone lines, and so forth. The board also supervises local officials although their powers are limited. They act more in an advisory than in a supervisory capacity.

Answer 6

(*a*) Sales ratio studies are conducted by the State board of equalization under order by the State Legislature.

(*b*) The board must complete a study for each county by January 1973. This is the first time such studies have been made.

(*c*) The studies receive very little publicity. They are delivered to the county commissioners in each county and will be presented to the legislature in January 1973.

(*d*) The studies are limited strictly to single-family residences and residential property.

Answer 7

(*a*) The 1971–72 expenditure on program relating to State property tax assessments and supervision of local assessors amounted to approximately $220,000. The State employs 16 personnel in property tax positions.

(*b*) The State does not have any industrial appraisers.

Answer 8

No. The 56 counties are the assessing districts.

Answer 9

All items listed in question 9 are legally taxable as property in Montana. Intangibles are taxed at a reduced rate and for all practical purposes, they are ignored by county assessors. The likely reason for the reduction in taxes on intangibles is the inability of the counties to locate and tax this type of property.

Answer 10

Yes, enclosure. (Sections 84–301 and 84–302, State code)

Answer 11

Yes, enclosure. (Section 84–202, State code)

Answer 12

Montana does not have a Greenbelt Law.

Answer 13

See the enclosed copies of 84–301 and 84–302 class 8 property. Relief granted in 1972 amounted to approximately $900,000.

Answer 14

I have enclosed a copy of the revenue and finance article from Montana's 1972 Constitution. Please refer to sections 3, 4, 5, and 7.

NEBRASKA

Answer 1

$391,295,447. This represented approximately 51 to 52 percent of all State and local tax revenues.

Answer 2

Nebraska has the county assessor system with 93 assessors. All assessors are elected. Before assuming the office of assessor, the individual must hold an assessor's certificate issued by the tax commissioner. This certificate is based upon the completion of an examination. This law has been tested and upheld by the Nebraska Supreme Court. At the present time, the test could not be described as difficult. Statutory citation: section 77–1326, R.R.S. 1943.

Answer 3

The State provides a salary incentive for any assessor or deputy assessor who has received the designation of certified assessment evaluator from the International Association of Assessing Officers. This salary incentive is not less than $500 per annum or 9 percent of the assessor's normal annual salary but not to exceed $1,000. We currently have two assessors and one deputy qualifying for State salary incentive. Statutory citation: section 77–427, R.R.S., 1943.

Answer 4

Assessment appeals are to an elected board who derives their authority from the fact that they are county commissioners. The principal other involvement in assessment administration of the county commissioners other than hearing appeals, is adopting a budget for the assessor's office and if there is a countywide mass appraisal entering into the contract.

Answer 5

The State-level tax assessment review agency is known as the State board of equalization and assessment. By constitution, the members are the Governor, the secretary of State, the auditor of public acounts, the State treasurer and the tax commissioner. The term of office is 4 years for the elected members. The tax commissioner serves at the pleasure of the Governor. The State board of equalization has responsibility for valuing railroad properties, car lines and public utility franchises. They do not supervise local assessment standards and administration. This is done by the tax commissioner. The tax commissioner is responsible for central assessment of non-resident bus and trucks and airlines as well as establishing the valuation to be used for motor vehicles and livestock.

Answer 6

The tax commissioner conducts sales-assessment ratio studies. These are conducted on an annual basis and are published annually with distribution to each county where the county assessor is required to post the results in the county assessor's office. Our sales-assessment ratio involves both urban and rural real estate. No personal property is considered in the ratio studies. Source: section 77-1327, R.R.S. 1943.

Answer 7

$319,497. Five "professional" positions. No industrial appraisers

Answer 8

No.

Answer 9

The following classes are subject to an ad valorem tax: motor vehicles, livestock and farm equipment and machinery. Standing timber is theoretically subject to tax, however, Nebraska does not separately assess standing timber on what little it has.

In 1972, after four gubernatorial vetoes, a percentage exemption was given to business inventory, agricultural producing machinery and equipment, farm inventories, livestock, and fish, bees and fur bearing animals. This law takes effect in 1973 with a 12½-percent exemption on these classes of property. The exemption increases by 12½ percent each year until the exemption level reaches 62½ percent. The main motivation behind the exemption was to reduce taxes. At one time, business equipment was included as an exempt category, but was dropped on the fourth veto in order to garner enough votes for the override. The Governor had proposed a circuit breaker plan providing essentially a 50-percent credit of refund with gradually increasing breaker limits to $1,000.

Answer 10

The State of Nebraska does not have a classification system, as such, for different levels of tax. However, classification is somewhat achieved by special provisions for different levels of valuation. Beneficiaries of this category are motor vehicle owners, and more so, motor vehicle dealers and livestock. A copy of pertinent constitutional provisions are attached along with a copy of a recent amendment passed in November of 1972 relating to agricultural lands. (Article VIII, section 1, State constitution.)

Answer 11

Nebraska exempts the property of the State and its governmental subdivisions. Property owned by and used exclusively for agricultural and horticultural societies and property owned and used exclusively for educational, religious, charitable or cemetery purposes when such property is not owned or used for financial gain or profit. Further, the value of a home substantially contributed by the Veterans' Administration in the United States for a paraplegic veteran or multiple amputee shall be exempt from taxation for the life of such veteran or until the death of his widow or her remarriage.

In addition, there is a homestead exemption provision covered under question 13. The State does not make and publish any regular assessment of the value of such tax exempt property.

Answer 12

As of this writing, the State does not have any Greenbelt laws, etc. However, constitutional amendment authorizing such was recently passed and is attached in answer to question 10. (Amendment to article VIII, section 1.)

Answer 13

The State has a limited homestead exemption. Equal to the first 25 percent of the actual value of any homestead having an actual value of $1,500 or less, or the first 20 percent of the first $4,000 of the actual value of any homestead having actual value in excess of $1,500 and 90 percent of the actual value of any homestead of any veteran as defined (mainly wartime veteran) drawing compensation from Veterans' Administration for 100-percent disability and not eligible for total exemption as a paraplegic, or the unremarried widow. There is a further exemption increasing the basic homestead exemption to 50 percent of the first $1,500, or less, or 45 percent of the first $4,000 for all veterans over 70 years of age. About $270,000 homesteads qualify for exemption at a cost of approximately $7 million.

Answer 14

Revisions of the constitution are attached in response to question 10. (article VIII.)

NEVADA

Answer 1

(a) State total fiscal year 1972, $93,430,589.
State share, $5,238,960.
Local government share, $88,191,629.

(b) Property taxes constitute 5.11 percent of State's general fund tax sources. For fiscal year 1972, property taxes accounted for approximately 27.5 percent of all State and local tax revenue.

Answer 2

(a) Elected for 4-year terms.
(b) No.

Answer 3

(a) No, although county assessor's association is to propose such legislation at 1973 session. However, State tax commission requested to conduct annual assessor's school.

(b) Yes.
(c) Of total cost of $1,900, Nevada Tax Commission paid $1,125.

Answer 4

(a) Elected.
(b) Yes.
(c) All county commissioners plus representatives of school board trustees and of each city council within county. This group sits as the county board of equalization to hear appeals regarding assessment of locally assessed property.

Answer 5

(a) Appointed by Governor (members of Nevada Tax Commission).
(b) 4 years (staggered terms).
(c) Yes, all property of all interstate and intercounty railroad, sleeping car, private car, street railway, traction, telegraph, water, telephone, air transport, electric and power companies, together with franchises but excluding motor vehicles.
(d) Yes, establish and monitor standards and procedures.

Answer 6

(a) Nevada Tax Commission.
(b) Annually.
(c) Annually; all county commissioners, assessors and legislature.
(d) All taxable property.

Answer 7

(a) For 1972–73 Nevada Tax Commission budget of $1,748,220; however, the division of assessment standards expends but $288,109.
(b) Fifteen professional personnel, including accountants, appraisers and draftsmen. No industrial appraiser, as such.

Answer 8

Nevada's assessors are county officials and each is responsible for appraising all taxable property other than that delineated in 5(c) above, no matter what the size of intracounty taxing jurisdiction.

Answer 9

Motor vehicles, changed from ad valorem to private tax basis in 1963.

Household goods, etc	ad valorem.
Antiques, art	ad valorem.
Jewelry and furs	ad valorem.
Intangibles	tax exempt.
Livestock	ad valorem.
Farm equipment and machinery	ad valorem, although exempt when held as dealer inventory.
Standing timber	taxed through land value only.

Only "intangibles" are exempt and no appreciable cost involved.

Answer 10

(a) No.
(b) Not applicable.

Answer 11

(a) Yes.
(b) Statutory provisions attached (NRS 361.050 to 361.153).
(c) Yes, however, publication is incomplete as not all counties list exemptions on tax roll.

Answer 12

No current statute; proposed constitutional amendment attached (has been approved by one session of legislature and must be approved at the 1973 session before being submitted to people at general election).

Answer 13

No current statute for senior citizens; however, proposed legislation to be introduced in 1973 session. Exemption provided for widows, orphans, blind and veterans as listed in enclosure to 11(b).

Answer 14

Copy of article X of constitution attached.

NEW HAMPSHIRE

Answer 1

Total *property tax revenue* in fiscal 1972 was $188,455,350. This represents 69 percent of all State and local *tax* revenue in fiscal 1972.

Answer 2

Local property tax assessors are elected in the 221 towns and appointed in the 13 cities. There are no professional qualifications required in the towns. Several of the cities employ and appoint to their board of assessors appraisers with professional qualifications.

Answer 3

There are no salary incentive plans provided locally or by the State for assessors.

Answer 4

Local officials (selectmen of towns) judging initial appeals are elected in towns and appointed in cities (city assessor or board of assessors). They derive their authority to hear appeals from the fact of holding office as selectmen, city assessors or members of the board of assessors. The selectmen of towns and the board of assessors or city assessors in cities assess the initial tax and administer the tax laws on the local level.

Answer 5

The State-level review agency comprising three tax commissioners are appointed by the New Hampshire Supreme Court for terms of 6 years. The intercounty property of electric, gas and oil pipeline companies is assessed locally based on data supplied by these utilities to the selectmen and assessors. The tax commission assesses the property of telephone, telegraph and railroad property at the State level with the taxes retained by the State. The tax commission, by statute, supervises local assessment administration and standards.

Answer 6

The tax commission conducts sales-assessment ratio studies. They are conducted biennially as of April 1 of the even-numbered years. The kinds of property generally included in the surveys are commercial and residential lands and buildings. Very few items of personal property are taxed in New Hampshire. The results are published when compiled and made available to any individual or agency upon request.

Answer 7

The annual budget of the State agency charged with supervision of *property tax assessments* including the three tax commissioners is $356,500 broken down as follows:

Tax commissioners	$52,700
Appraisers (24); clerical (2)	303,800
Total allocated—Property tax	356,500

The appraisal staff of 24 appraisers are primarily engaged in revaluation work, completing an average of 12 revaluations each year and continuous appraisal work in 70 towns revalued in prior years. The revaluation work is by vote of the towns and cost of this work is recovered from the towns. These appraisers also investigate appeals for the commission and perform other related work; costs billed and collected from towns for their work in fiscal 1972 was $209,750. The appraisal staff is considered to be professional; however, there is no one appraiser specializing in industrial properties.

Answer 8

There have been no changes in the size of assessment districts in the past 10 years.

Answer 9

The State of New Hampshire does not impose an ad valorem tax on any of the listed properties. Livestock was fully exempted from taxation as of April 1, 1970, and towns and cities were fully reimbursed on a continuing basis for the loss of these taxes. This class of property together with nine other taxes, including the major item of manufacturing machinery and stock-in-trade (inventory), were repealed based on recommendations of a citizens task force. The towns and cities are reimbursed from the general funds of the State for loss of these taxes with a cumulative annual increase in reimbursement currently at 5 percent. A business profits tax was enacted as the primary source of general fund revenue to provide for reimbursements.

Answer 10

New Hampshire does not have a classification system setting different levels of tax or different classes of property.

Answer 11

New Hampshire exempts the real property owned by religious, educational, and charitable organizations from taxation. The real and personal property of the American Red Cross and veterans organizations are also exempted. No estimate of the value of the exempted property is available.

Answer 12

New Hampshire enacted legislation effective April 1, 1972, providing for the assessment of forest and farm land based upon current use. The system provides for a current use advisory board of nine members to establish criteria and suggested values for qualifying land. A copy of the statute (chapter 56, laws of 1972) and the initial report and recommendations of the current use advisory board are enclosed.

Answer 13

The State of New Hampshire has enacted legislation providing tax credits to veterans and valuation exemptions to blind persons and certain elderly persons over 70 years of age. The cost of this property tax relief is borne by the towns and cities. The latest available statistics are as follows:

Class	Number	Cost
Veterans	61, 563	$3, 498, 750
Blind	235	9, 550
Elderly	9, 304	1, 742, 300

The elderly exemption is limited to persons over 70 years of age, with income from all sources not to exceed $5,000, if married, or $4,000, if single, and assets of all kinds not to exceed $25,000. The maximum benefit granted to qualifying elderly persons is a $5,000 valuation exemption in towns assessing at full value. If a town is not assessing at full value, the exemption is that proportion of $5,000 that the level of assessment bears to 100 percent. Veterans are given a $50 tax credit generally; however, totally and permanently disabled veterans (service connected) receive a tax credit of $600. Legally blind persons receive a $1,000 valuation exemption.

Answer 14

The State constitution makes the following specific references to the system of property taxes:

> *Part Second—Form of Government—Article 5:* provides "proportional and reasonable assessments, rates, and taxes, upon all the inhabitants of, and residents within, the same."
>
> *Power To Provide for Tax Valuations Based on Use—Article 5-B.* "The general court may provide for the assessment of any class of real estate at valuations based upon

> the current use thereof." (adopted November 5, 1968, election)
>
> *Valuation and Taxation—Article 6.* "The public charges of government, or any part thereof, may be raised by taxation, upon polls, estates, and other classes of property, including franchises and property when passing by will or inheritance; and there shall be a valuation of the estates within the State taken anew once in every 5 years, at least, and as much oftener as the general court shall order."

Ruling New Hampshire Supreme Court decisions have held that to be proportional requires a uniform valuation and uniform rate throughout the taxing district. This precludes all but "flat rate" taxation.

NEW JERSEY

Answer 1

1972:

(1) Local property tax collections[1] (millions)	$2,406.7
(2) State and local tax collections[2] (millions)	$4,214.2
(1) As a percent of (2)	57.1

[1] Excludes deductions allowed senior citizens and veterans.

[2] Excludes earnings of Lottery Commission, and revenues from Atlantic City sales tax, which were $66.7 million and $3.2 million, respectively.

Answer 2

Some New Jersey tax assessors are elected while others are appointed.

Chapter 44, laws of 1967 provides that any assessor appointed or elected after July 1, 1971, must hold a qualified assessor certificate. The division of taxation holds semiannual examinations for qualified applicants.

Answer 3

In general, local jurisdictions do not provide salary improvement for an assessor completing a special training course. In some cases, however, salary improvement was realized after the assessor negotiated with the town.

The State makes no financial contribution except for use of facilities at Rutgers University and for State personnel's time.

Answer 4

(a) Members of county tax board are appointed.

(b) No.

Answer 5

(a) Members of the division of tax appeals, Department of Treasury, are appointed by the Governor.

(b) 5 years.

(c) No.

(d) No. Such standards and administration are supervised by the division of taxation, Department of the Treasury, and by the respective county boards of taxation.

Answer 6

(a) Division of taxation in the Department of the Treasury.
(b) Annually.
(c) Annually and distributed statewide to all taxing districts.
(d) Vacant, residential, commercial, industrial, apartments, and farms.

Answer 7

(a) The local property and public utility branch's 1972 budget request was $1,337,340. The branch employs a professional staff of 40, which includes 25 field representatives.

(b) The appraisal section of the local property and public utility tax branch employs 12 staff members.

Answer 8

Several joint assessment districts comprising two districts were created by agreement pursuant to Public Law 1967, c. 180.

Answer 9

(a) No.

(b) Household personal property, tangible personal property other than business and household personal property were made exempt. Inventories were made exempt under (Public Law 1966, c. 136). Public Law 1966, c. 135 provides for the State to administer and collect four "replacement taxes" and to return proceeds from these taxes to municipalities according to a prescribed formula. The four "replacement taxes" are: Business personal property tax, corporation business tax (1.25 percent of net income), retail gross receipts tax, and unincorporated business tax. These State "replacement taxes" were introduced to substitute uniform administration of personal property taxation for widely varying personal property tax administration and collections then existing. Public Law 1966, c. 135, became effective July 1, 1967.

Answer 10

REAL PROPERTY. The New Jersey State Constitution adopted in 1947 provides (article VIII, section I):

> Property shall be assessed for taxation under general laws and by uniform rules. All real property assessed and taxed locally or by the State for allotment and payment to taxing districts shall be assessed according to the same standard of value, except as otherwise permitted herein, and such real property shall be taxed at the general tax rate of the taxing district in which the property is situated, for the use of such taxing district.

This was interpreted to preclude any classification of real estate.

Assessments of real property are expressed in terms of "taxable value" which is that percentage of true value, not lower than 20 percent nor higher than 100 percent (in a multiple of 10), as is established by each county board of taxation (N.J.S.A. 54:4–2.26). The percentage level of taxable value of real property is established by the county board on or before April 1 of the year preceding the tax year and must be uniformly applied to all real property in the county. The level so established may be altered by the board only after it has been in effect for at least three years. If a county board of taxation initially fails to establish the percentage level, the level will be set at 50 percent of true value (N.J.S.A. 54:4–2.27).

FARMLAND. Land not less than 5 acres in area actively devoted to agricultural or horticultural use is assessed according to its agricultural or horticultural value upon application of the owner and approved thereof (N.J.S.A. 54: 4–23.2). (See answer to question 12 below.)

BUSINESS PERSONAL PROPERTY. The State tax on business personal property is $1.30 per $100 of "taxable value" (50 percent of its original cost). (N.J.S.A. 54:11A–3 et seq.)

RAILROADS. A State tax is imposed on class II railroad property (real estate other than the main stem). The annual tax rate on class II railroad property is $4.75 per $100 of true value. (N.J.S.A. 54:29A–7.)

Answer 11

The following real property is exempt from ad valorem taxation:

(1) property of the State and its political subdivisions; property used for military purposes; property of veterans' organizations; residences of district supervisors of religious organizations (N.J.S.A. 54: 4–3.3, 54: 4–3.35, 54: 4–3.5);

(2) buildings of colleges, schools, academies, seminaries; publicly owned historical societies; public libraries; humane societies; religious, charitable, and benevolent associations; hospitals, volunteer first-aid squads; nonprofit corporations which permit use of their buildings by charitable or religious organizations either for compensation or rent-free parsonages—not exceeding two—plus accessory buildings; property held by the State federation of district boards of education; all property owned and used by mentally retarded, or idiotic men, women, or children, provided that such corporation conduct and maintain research or professional training facilities for the care and training of such retarded individuals; and land not exceeding 5 acres upon which such buildings are located; all buildings in New Jersey used exclusively by nonprofit educational television associations or corporations, and the land on which located, but not over 30 acres (N.J.S.A. 54: 4–3.6, 54: 4–3.6a);

(3) graveyards and vaults intended to hold bodies or ashes of the dead (N.J.S.A. 54:4–3.9);

(4) real property of any exempt firemen's association, relief association, and volunteer fire company incorporated under the laws of the State and which is used exclusively for the purpose of the corporation (N.J.S.A. 54:4–3.10);

(5) all offices, and franchises, and all property used for railroad or canal purposes by a railroad or canal company subject to a New Jersey franchise tax (N.J.S.A. 54:4–3.11);

(6) property of domestic public fire patrol or salvage corps associations or corporations used exclusively for the public purpose of saving life and property from destruction by fire (N.J.S.A. 54:4–3.13);

(7) real estate not exceeding 250 acres owned, and actually and exclusively used, by any domestic corporation to provide instruction in agricultural pursuits for veterans who have been permanently crippled while in active service in time of war (N.J.S.A. 54:4–3.15);

(8) turnpike roads used by the public toll-free (N.J.S.A. 54:4–3.18);

(9) property of the following associations: Y.M.C.A., Y.W.C.A., Y.M. and Y.W.C.A., Y.M.H.A., Y.W.H.A., or Y.M. and Y.W.H.A, Boy Scouts, Girl Scouts (N.J.S.A. 54:4–3.24);

(10) property of bona fide national war veterans' organizations existing and established on June 18, 1936 (N.J.S.A. 54:4–3.25);

(11) property of fraternal organizations or lodges organized or operated for charitable or educational purposes (Ch. 320, Laws 1971; N.J.S.A. 54:4–3.26);

(12) property of the Red Cross, and other national and international relief organizations (N.J.S.A. 54:4–3.27);

(13) in addition to other exemptions granted on his real or personal property, the dwelling house and lot of an honorably discharged veteran having a service-connected disability from paraplegia, sarcoidosis, osteochondritis resulting in permanent loss of the use of both legs, or permanent paralysis of both legs and lower parts of the body, or from hemiplegia and permanent paralysis of one leg and one arm on either side of the body resulting from injury to the spinal cord, total blindness, or from the amputation of both arms or both legs, or both hands or both feet, or the combination of a hand and a foot, or, if annual income of the taxpayer is not over $5,000, from other service-connected disability declared by the Veterans' Administration to be a total or 100 percent permanent disability; this examption applies to the widow of a qualified veteran during her widowhood (Ch. 398, Laws 1971; N.J.S.A. 54:4–3.30);

(14) property of veterans, or their widows, in the amount of $50 from their final property tax bills; real property of resident senior citizens in the amount of $160 from their final tax bills, provided their annual income, including that of his or her spouse but not including social security benefits or benefits received under other Federal programs or State and local pension, disability or retirement programs, does not exceed $5,000 (S.B. 282, laws 1972; ch. 20, laws 1971; art. VIII, sec. 1, N.J. Const.; N.J.S.A. 54:4–8.11, 54:4–8.11a, 54:4–8.40, 54:4–8.41);

(15) Value of fallout shelters erected on residential property (N.J.S.A. 54:4–3.48;

(16) historic lands, buildings and contents (N.J.S.A. 54:4–3.52);

(17) senior citizens housing projects, and limited-dividend nonprofit housing projects, at the discretion of the municipality where located, are eligible for a 50-year exemption (N.J.S.A. 55:14I–5, 55:16–18);

(18) equipment used to abate or prevent air and water pollution, and the value of any improvement to realty in the form of any structure, machinery, equipment, device or facility necessary to the installation or maintenance of a potable water supply system or a water-carried sewerage disposal system (N.J.S.A. 54:4–3.56, 54:4–3.59, 54:4–3.60);

(19) main stem railroad property, tangible personal property of railroads, and facilities used in passenger service (N.J.S.A. 54:29A–7).

Summary of exempt property values are reported in county abstracts of ratables and reproduced in the division of taxation's annual report.

Answer 12

Under the "Farmland Assessment Act of 1964" (ch. 48, laws 1964), the valuation of farmland for general property tax purposes is limited to its value for agricultural or horticultural use rather than its potential value for residential or industrial development.

Rollback taxes: If land valued as "farmland" is subsequently used for nonagricultural or nonhoriticultural purposes, additional "rollback" taxes equal to the difference between the taxes paid under the "farmland" valuation and the taxes that would have been paid under normal valuation procedure must be paid for the current year and for the 2 years immediately preceding the current year.

Answer 13

Property tax deductions are granted to qualifying veterans and senior citizens. In 1972, the $50 veteran property tax deduction went to 438,807 veterans, and cost New Jersey municipalities $21,940,364. In 1972, the $160 senior citizen property tax deduction went to 163,248 senior citizens, and cost $26,397,787, of which one-half was paid by the local municipality and one-half was paid by the State.

Answer 14

Article VIII (taxation and finance), section I provides that: (1) property shall be assessed for taxation under general laws and by uniform rules, except that value of farmlands, not less than 5 acres in area, shall be the value of such lands in agricultural or horticultural uses, (2) that exemption from taxation may be granted only by general laws, (3) that "veterans," as defined by law, shall qualify for a veteran's deduction, and (4) that senior citizens shall qualify for senior citizen's deduction.

NEW MEXICO

Answer 1

Approximately $82 million.

Answer 2

(a) Elected.
(b) No.

Answer 3

(a) Yes.
(b) Yes.
(c) School, room and board, $4,707.90.

Answer 4

(a) Elected.
(b) Yes.
(c) County commissioner, review assessments.

Answer 5

(a) Appointed by Governor.
(b) Four years.
(c) Yes; airlines, utilities, railroads, pipelines, water companies, mines, contractors' equipment.
(d) Yes.

Answer 6

(a) New Mexico Property Appraisal Department.
(b) Annually.
(c) Conducted for internal use only.
(d) Residential, commercial, agricultural.

Answer 7

(a) $650,000.
(b) Fifteen.
(c) None.

Answer 8

Counties are the same. A few school districts have been consolidated. Some cities have grown.

Answer 9

(a):
    Motor vehicles, no.
    Household goods and furnishings, yes.
    Antiques and works of art, yes.
    Jewelry and furs, yes.
    Intangibles, no.
    Livestock, yes.
    Farm equipment and machinery, yes.
    Standing timber, yes.

(b) Motor vehicle licenses in lieu of ad valorem tax.
State law requires only tangible property.

Answer 10

Statewide ratio, 33⅓ percent.

Answer 11

(a) Church, schools, charitable institutions. All government.
(b) No.

Answer 12

We have Greenbelt laws. No restrictive agreements.

Answer 13

Veterans receive $2,000 off assessed value. Approximately $3 million distributed in fiscal year 1972.

Answer 14

Article 8, constitution of New Mexico.

NEW YORK

Answer 1

Relationship of property tax revenues in New York State to all State and local tax revenues:

(a) Real property tax revenues in New York State for local fiscal years ending in 1972, $5,555.6 million.
(b) All State and local tax revenues in New York State, $14,727.7 million.
(c) Percentage of all tax revenues in New York State that real property represents is 37.7 percent.

Real property tax revenue in New York State consists of real property taxes levied only by municipalities for local fiscal years ending variously during 1972.

All State and local tax revenue in New York State consists of (1) nonproperty taxes levied by New York State for State fiscal year ending March 31, 1972, and (2) nonproperty taxes levied by municipalities in the State for local fiscal years ending variously during 1972. For the city of New York these are actual amounts for the fiscal year ending June 30, 1972, but for upstate municipalities this is an estimate.

Answer 2

Each city or town in New York State is required to have a single appointed assessor except as follows:

(a) Any city or town which has exercised an option to have an elected assessor or an elected board of assessors.
(b) Any city or town in a county having the power to assess property for purposes of taxation. (There are two counties which have the power to assess property for purposes of taxation. One such county has a single appointed assessor and the other has an elected board of assessors.)
(c) Cities with a population of 100,000 or more as of the 1970 Federal census.
(d) Villages, most of which copy the assessment roll of the town in which they are located.

Of the 919 towns which have the function of assessing property for tax purposes, 475 have exercised the option to have elected assessors. Six of the 56 cities covered by this requirement have exercised their option to have elected assessors. (See sec. 1522 of article 15-A of the real property tax law in appendix 1, attached.)

Except as noted above, all local assessors are required to meet minimum qualifications established by the State Board of Equalization and Assessment. (See appendix 2, attached, for a description of such qualifications.)

Answer 3

There are no salary incentives for assessors who complete training courses. Although the State makes no direct money payments to localities for training purposes, it does provide instructors, training manuals and other training facilities for local assessing personnel.

Answer 4

Local assessment review boards are appointed. The members of such boards do not serve by virtue of the fact that they hold any other office.

Answer 5

There is no State level administrative assessment review agency. However, the real property tax law does provide for judicial review of assessments by the regular State courts for taxpayers who have availed themselves of the local administrative review.

The State Board of Equalization and Assessment assesses real property in streets and other public places; real property used for transportation purposes of railroad companies subject to the railroad exemption law and those State-owned lands which are taxable pursuant to the provisions of the real property tax law. The State board also has advisory and supervisory functions with respect to local assessment standards and administration. (See appendix 1 for a description of these functions.)

Answer 6

The State board conducts a market value survey in each city, town, and village every 2 years. These surveys are based on a randomly selected sample of parcels appraised by the board's staff combined with data relating to all bona fide real property sales which occurred in the survey epriod and for which confirmation of the sales price has been obtained. All classes of taxable property are included in such surveys. The results of these surveys and the data on which they are based are distributed to the cities, towns, and villages and to the county directors of real property assessments.

Answer 7

The annual budget for the State Board of Equalization and Assessment is $5.2 million of which $1.3 million is allocated to the board's local assessment services functions. There are 21 industrial and utility appraisers on the board's staff of which 3 are engaged full time in local assessment services functions. The local assessment service functions of the board are not yet fully funded.

Answer 8

The assessing function in Tompkins County which includes nine towns and one city has been transferred to a county assessing department.

Answer 9

There has been no personal property tax in this State since 1933. However, standing timber is classified as real property and assessed with the land on which it stands.

Answer 10

This State does not have a classified property tax system.

Answer 11

New York State law provides an extensive series of partial and total exemptions from real property taxation for both publicly and privately owned real property. These statutes are contained primarily in the real property tax law (McKinney's Consolidated Laws of New York, annotated, vol. 49A), and a summary chart of these provisions is attached as appendix 3.

In addition, a substantial series of partial exemptions relating to low- and middle-income housing projects is contained in various statutes such as the private housing finance law (McKinney's Consolidated Laws of New York, annotated, vol. 41) and the public housing law (McKinney's Consolidated Laws of New York, annotated, vol. 44A). These statutes provide a complex group of exemptions which vary in applicability, amount and duration.

Pursuant to section 496 of the real property tax law, the assessors of each city and town within the State must submit to the State board an annual compilation of exempt property within their respective assessing units. Cities are required to publish such lists. The assessment of the exempt parcels, as well as all parcels other than State-owned land, is made by the local assessors. The State board does not publish any information concerning the exempt property reports.

Answer 12

Section 247 of the general municipal law enacted in 1963 authorizes municipalities to acquire by gift, purchase or grant, a fee or lesser interest (such as easement or development right) in open land. The term "open land" in this statute, incidentally, includes agricultural land.

Where a municipality acquires this kind of interest, the valuation placed on the land for purposes of real property taxes must take into account the limitation on the future use of the land. For example—property subject to an easement would not have as high a value as unburdened property—since a developer could not develop the property until the easement expired.

Article 25-AA which becomes effective on January 1, 1973 provides for the preferential assessment of viable farmland under certain circumstances, among which is included, a commitment to maintain the land in agricultural use for not less than 8 years. Appendix 4 attached describes the statute.

Answer 13

In New York State there are no direct payments to individuals for the purpose of relieving property tax burdens. The material supplied in connection with the answer to question 11 describes the system of property tax exemptions in the State of New York.

Answer 14

Article XVI of the New York State constitution contains two sections specifically applicable to real property assessment and taxation.

Section 1 of article XVI provides that exemptions from taxation may be granted only by general law, and that exemptions may be altered or repealed, except those which exempt real property which is both used exclusively for religious, educational or charitable purposes and which is owned by a corporation or association organized or conducted exclusively for one or more of these purposes.

Section 2 of article XVI directs that the State legislature shall provide for the supervision, review and equalization of assessments for purposes of taxation. In addition, the section provides that assessments shall in no case exceed full value.

Article VIII of the New York State Constitution contains several provisions pertaining to local finances.

Section 3 prohibits the creation of certain municipal corporations possessing the power to contract indebtedness and to levy taxes.

Section 4 contains the basic limitations as to the amounts of indebtedness for which municipalities may contract. In computing the average full valuation of taxable real estate as required by this section (and by section 10, described below), the constitution (article VIII, section 10) directs that "The average full valuation of taxable real property * * * shall be determined by taking the assessed valuations of taxable real estate on the last completed assessment rolls and the four preceding rolls * * * and applying thereto the ratio which such assessed valuation on each of such rolls bears to the full valuation, as determined by the State tax commission or by such other agency or other state officer as the legislature shall by law direct. The legislature shall prescribe the manner by which such ratio shall be determined by the State tax commission or by such other State officer or agency."

As to municipal borrowing, section 4 prohibits the contracting of indebtedness (including existing indebtedness) in excess of an amount equal to the following percentages of the average full valuation of taxable real property for the appropriate municipal corporation:

(a) the county of Nassau, for county purposes, 10 per cent;

(b) any county, other than the county of Nassau, for county purposes, 7 per centum;

(c) the city of New York, for city purposes, 10 per centum;

(d) Any city, other than the city of New York, having

> 125,000 or more inhabitants according to the latest Federal census, for city purposes, 9 per centum:
>
> (e) Any city having less than 125,000 inhabitants according to the latest Federal census, for city purposes, excluding education purposes, 7 per centum;
>
> (f) Any town, for town purposes, 7 per centum:
>
> (g) Any village for village purposes, 7 per centum; and
>
> (h) Any school district which is coterminous with, or partly within, or wholly within, a city having less than 125,000 inhabitants according to the latest Federal census, for education purposes, 5 per centum: provided, however, that such limitation may be increased in relation to indebtedness for specified objects or purposes with (1) the approving vote of 60 per centum or more of the duly qualified voters of such school district voting on a proposition therefor submitted at a general or special election, (2) the consent of The Regents of the University of the State of New York and (3) the consent of the State comptroller. The legislature shall prescribe by law the qualifications for voting at any such election.

Section 10 of article VIII contains limitations upon the amounts which may be raised by municipalities by means of the levy of the real property tax. The basic limitations are that the amount to be raised shall not exceed an amount equal to the following percentages of the average full valuation of taxable real property in the appropriate municipality:

> (a) Any county, for county purposes, 1½ per centum; provided, however, that the legislature may prescribe a method by which such limitation may be increased to not to exceed 2 per centum;
>
> (b) Any city of 125,000 or more inhabitants according to the latest Federal census, for city purposes, 2 per centum;
>
> (c) Any city having less than 125,000 inhabitants according to the latest Federal census, for city purposes, 2 per centum;
>
> (d) Any village, for village purposes, 2 per centum;
>
> (e) Any school district which is coterminous with or partly within or wholly within, a city having less than 125,000 inhabitants according to the latest federal census, for school district purposes, 1¼ per centum; * * * The limitation herein imposed for any such school district may be increased by the approving vote of 60 per centum or more the duly qualified voters of such school district voting on a proposition therefor submitted at a general or special election. Any such proposition shall provide only for an additional one-quarter of 1 per centum in excess of the limitation applicable to such school district at the time of submission of such proposition. When such a proposition has been submitted and approved by the voters of the school district as herein provided, no proposition for a further increase in such limitation shall be submitted for a period of 1 year computed from the date of submission of the approved proposition, provided that where a proposition for an increase is submitted and approved at a general election or an annual school election, a proposition for a

> further increase may be submitted at the corresponding election in the following year. * * *
>
> (e) In no event shall the limitation for any school district or consolidated school district described in this subparagraph (e) exceed 2 per centum.
>
> (f) Notwithstanding the provisions of sub-paragraphs (a) and (b) of this section, the city of New York and the counties therein, for city and county purposes, a combined total of 2½ per centum.

And, finally, section 11 of article VIII contains certain exclusions from the computation of the maximum amount to be raised by real property taxation.

(See Appendix 5 for a tabulation of constitutional limitations on the tax and borrowing power of local governments.)

NORTH CAROLINA

Answer 1

(*a*) $460,382,000.

(*b*) 23.3 percent of a total State and local tax revenue of $1,974,318,000.

Answer 2

(*a*) Appointment for a 2-year term.

(*b*) No.

Answer 3

(*a*) No.

(*b*) No, but the State does assist in arranging appraisal courses for local assessors.

(*c*) None.

Answer 4

(*a*) Elected except in a few counties which have special boards of equalization and review appointed by the board of county commissioners.

(*b*) Yes.

(*c*) County commissioners.

(*d*) They must approve schedules of value (unit prices) used in revaluations and must take final action on assessments of discovered property.

Answer 5

(*a*) The State board of assessment is a five-member board; two are appointed by the Governor and one each by the Lieutenant Governor and speaker of the house of representatives. The fifth member is the director of the division of tax research of the department of revenue, who serves ex-officio.

(*b*) The four appointed members are appointed for 4-year terms.

(*c*) Yes. Railroads and public utilities property, including the rolling stock of trucking companies and bus lines and the flight equipment of airlines.

(*d*) In law but not in fact.

Answer 6

None, although the statute requires the State board of assessment to make continuing ratio studies and publish them every 2 years.

Answer 7

(*a*) Approximately $175,000.
(*b*) Ten.
(*c*) None.

Answer 8

No.

Answer 9

Yes.

Motor vehicles—Usually assessed from guides such as the Automobile Red Book.

Household goods and furnishings, antiques, and works of art are usually assessed on the basis of a percentage of the residence value.

Jewelry and furs—In some counties these items are included in the percentage, and in others they are not.

Intangibles—This tax is administered by the State, but the revenue therefrom is returned to the local governments. Intangibles tax collections for fiscal 1972 amounted to approximately $27 million. Intangibles are taxed at a much lower rate than other types of property.

Livestock and farm equipment and machinery are assessed in the same manner as other property.

Standing timber is considered to be real estate and is assessed with the land. In some cases it is assessed as a separate figure and in others the value of the timber is included in the land figure.

There is some movement at the present time to exempt individually owned personal property not used in business, but it will probably not be enacted this session. The reasons for attempting to exempt this property are that it cannot be fairly administered, and it is extremely costly to do so. There are also efforts being made to exempt standing timber as a growing crop.

Answer 10

We tax stored tobacco at 60 percent of the rate applicable to other property, baled cotton at 50 percent and stored peanuts at 20 percent. All other property is taxed at the same level. There have been no recent changes in these provisions.

Answer 11

(*a*) Yes.

(*b*) Governmental property; property used for nonprofit educational, charitable, historical, cultural, patriotic and fraternal purposes, property used for religious worship, religious headquarters, and religious assemblies; nonprofit hospitals; and pollution abatement property.

(*c*) No.

Answer 12

No. Bills have been introduced in the past three sessions of the legislature to tax farmland on the basis of agricultural value with a rollback tax for 3 years. The bills have been unsuccessful so far, but another attempt will be made in the present session of the legislature.

Answer 13

The statute exempts from tax the first $5,000 of the appraised value of real property owned and used as the principal place of residence by persons age 65 and over with less than $3,500 disposable income. The relief is entirely local, however. Approximately 25,000 persons qualified for the exemption in 1972, the first year the relief was granted, and the tax saving amounted to approximately $1,250,000.

Answer 14

Article V, section 2.

(1) *Power of taxation.* The power of taxation shall be exercised in a just and equitable manner, for public purposes only, and shall never be surrendered, suspended, or contracted away.

(2) *Classification.* Only the general assembly shall have the power to classify property for taxation, which power shall be exercised only on a statewide basis and shall not be delegated. No class of property shall be taxed except by uniform rule, and every classification shall be made by general law uniformly applicable in every county, city and town, and other unit of local government.

(3) *Exemptions.* Property belonging to the State, counties, and municipal corporations shall be exempt from taxation. The general assembly may exempt cemeteries, property held for educational, scientific, literary, cultural, charitable, or religious purposes, and, to a value not exceeding $300, any personal property. The general assembly may exempt from taxation not exceeding $1,000 in value of property held and used as the place of residence of the owner. Every exemption shall be on a statewide basis and shall be made by general law uniformly applicable in every county, city and town, and other unit of local government. No taxing authority other than the general assembly may grant exemptions, and the general assembly shall not delegate the powers accorded to it by this subsection.

Under article V, section 2(3), the general assembly has authority to exempt property from taxation only if it is used for an educational, scientific, literary, cultural, charitable, or religious purpose. It does, however, have the power to classify property for taxation. The method used to exempt property not covered in section 2(3) is to classify the property and exclude it from the tax base.

NORTH DAKOTA

Answer 1

Total property tax revenues, excluding special assessments, totaled $110,260,447.30 for the fiscal year June 30, 1972. This total represents 42 percent of all State and local revenues.

Answer 2

Local property tax assessors are elected in townships and appointed in the cities. They are not required by law to meet any professional qualifications.

Answer 3

North Dakota does not provide specific salary incentives for assessors who complete special training courses, nor does the State make any financial contribution to such training.

Answer 4

Local officials who judge initial appeals from property tax assessors are appointed. At the township level, the elected supervisors act as the local board of equalization while at the city and county level, the elected commission or council members act as the board of equalization.

Answer 5

State board of equalization consists of five elected constitutional officers: Governor, State auditor, State treasurer, commissioner of agriculture, and the commissioner of taxation. Terms of service run concurrent with their terms of office, 4 years. The State board of equalization makes utility assessments and has the authority to change local assessments.

Answer 6

The State tax department conducts sales-assessment ratio studies in conjunction with local assessors, county tax directors, and county commissioners. The study is conducted yearly and is published every even-numbered year. The study includes farm, business/industrial, and residential properties.

Answer 7

The State supervisor of assessments division of the tax department spent $56,592.27 during the 1972 fiscal year. This budget does not include services performed by data processing, legal, and other divisions in the tax department. The staff consists of three professionals, including one industrial appraiser.

Answer 8

No statutory changes in the size of taxing districts during the past 10 years. However, some townships have disorganized, and as such became part of a larger assessment district.

Answer 9

There is no ad valorem tax on personal property in North Dakota except for certain nonprofit organizations. All personal property was exempted by the 1969 legislature. Criticism of the personal property tax centered around the viewpoint that the ownership of personal property had little relationship with the ability to pay taxes, and that the personal property tax penalized a person who must own personal property to make a living.

Answer 10

No classification system in North Dakota.

Answer 11

Real property belonging to municipalities, schools, nonprofit charitable institutions, churches (when used for religious purposes, hospitals (charitable), fairs, lodges, farm improvements, disabled veterans (partial) and blind (partial). There is no published abstract of exempt property.

Answer 12

No.

Answer 13

There is a homestead credit on real property owned and occupied by recipient. Must be 65 years or older and have an income less than $3,000. A total of 5,435 exemptions were granted during fiscal year 1972. No dollar figures are available, since this is a locally administered exemption.

Answer 14

Section 176 of the North Dakota constitution states that taxes shall be uniform upon the same class of property, and that all property shall be taxed according to its true value in money.

OHIO

Answer 1

Total property tax revenues for fiscal year 1972 were $2 billion, 46 percent of all State and local tax revenue. This is roughly $1.4 billion of real and public utility property tax, $0.5 billion of tangible personal property tax, and $0.1 billion of intangible personal property tax.

Answer 2

Local property tax assessors in Ohio are the county auditors, who are elected for terms of 4 years. There are no professional qualification requirements for these positions.

Answer 3

Neither the State of Ohio nor its local jurisdictions provide such salary incentives. The State makes no financial contribution for training.

Answer 4

At the local level in Ohio, initial appeals from real property assessments are heard by the county boards of revision, which are comprised of three elected officials—county auditor, county treasurer, and president of the board of county commissioners—all of whom sit on the board of revision by virtue of holding other office. Of the three, only the county auditor has any other involvement in property assessment administration; he is the assessor of all real property (except public utility) and is a deputy of the State tax commissioner with respect to personal property assessment. (Personal property assessment appeals are heard first by the State tax commissioner, as discussed in No. 5.) Board of revision rulings may be appealed to the State board of tax appeals.

Answer 5

There are two State level tax review boards in Ohio:

(*a*) The State tax commissioner hears all initial appeals from public utility and personal property taxes (and all other taxes administered by the tax commissioner). Personnel used in this capacity are full-time civil service employees and, in practice, those dealing with property taxes have been attorneys.

The tax commissioner has responsibility for all policy and assessment standards (using legislatively set assessment levels) and general administration of all tangible personal property taxes, including personal property of intercounty businesses and public utility property. The real property component of public utility property also is a responsibility of the tax commissioner, and represents his only involvement in the area of real property taxes.

(*b*) The State board of tax appeals (BTA) is the second step in the appeals process having, among its several functions, the hearing of appeals from the county boards of revision and the tax commissioner: BTA hearings are *de novo* proceedings. The BTA is a three-member "tax court" whose members are appointed for staggered 6-year terms by the Governor, subject to senate approval.

Attached to the BTA is an administrative unit, the division of county affairs, which is the State level coordinator of the (local) real property tax. Duties of county affairs include prescribing all property tax forms and reviewing real property appraisal lists to determine whether appraisals are at the required level.

Beyond the BTA, tax appeals progress to the court of appeals or the Ohio Supreme Court.

Answer 6

Assessment-sales ratio studies are conducted annually by the division of county affairs of the State board of tax appeals. The results are published annually (1964, 1966, and 1967 were exceptions) and distributed to county auditors and others concerned with real property taxation: any person requesting these ratios will be given a copy of the tables. Only real property is included in the ratio studies. It is grouped into five categories for which ratios are calculated: Agricultural, under 30 acres; agricultural, 30 acres and over; residential; commercial; industrial.

Answer 7

The supervision of real property tax assessments and personal property tax assessments at the State level are housed in two separate administrative divisions. Real property assessment is supervised by the division of county affairs in the board of tax appeals; personal property assessment is administered by the property tax division in the Ohio Department of Taxation. Thus, the figures for these two categories of taxation are presented separately. It should be noted that real property assessment costs and personnel are less than those for personal property largely because much of the responsibility for real property assessment resides at the county level.

	Personal property fiscal year 1971	Real property fiscal year 1974
Annual budget	$2, 090, 488	$450, 000
Professional staff	218	10
Industrial appraisers	0	0

Answer 8

No. The county remains the basic assessment district.

Answer 9

In Ohio, motor vehicles are not subject to the property tax; household goods and furnishings, antiques and works of art, and jewelry and furs are taxed only if used in business. All intangibles (other than obligations of the Federal Government and its instrumentalities) are subject to personal property taxation in Ohio. If used in agriculture, livestock and farm equipment and machinery are exempt from taxation. Finally, standing timber is taxed in Ohio as real property.

Under terms of legislation passed in 1967 (Am. Sub. H.B. 480), the assessment level for agricultural personal property was reduced from 50 percent to zero between 1968 and 1973; thus, 1973 will be the first year in which livestock and farm machinery and equipment are completely exempt from taxation. Legislation enacted in 1971 (Am. Sub. H.B. 475) will reduce the assessment ratio for furniture and fixtures from 70 to 50 percent by 1976.

The major factor leading to this legislation was strong lobbying against the personal property tax. Moreover, in the case of agricultural personal property, the yield was low, and the assessment level for furniture and fixtures, at 70 percent, was out of line with levels for other types of personalty.

Answer 10

In Ohio, the property tax is a local tax, and all real and tangible personal property within a given taxing jurisdiction is taxed at the same rate. Taxable or assessed values for different types of property are, however, different percentages of "full" or "true" value.

Between 1965 and 1972, real property was to be assessed at not more than 50 percent of "true value in money" (prior to 1965, the standard was 100 percent). In practice, however, as revealed by assessment-sales ratios prepared by the Division of County Affairs of the Board of Tax Appeals, real property has for years been assessed at substantially les than 50 percent, although the precise level varied both among counties and, within a given county, among various types of real property. Thus, 1972 legislation (S.B. 455) requires that all real property be appraised at 100 percent of full value at the next reappraisal (Ohio uses a 6-year staggered reappraisal cycle), and that a 35-percent assessment rate be applied to these full-time appraised values. Over the next 6 years, therefore, all Ohio counties should bring all real property assessment to the 35-percent level.

Personal property is classified into several classes: (a) agricultural personalty; (b) nonagricultural machinery and equipment; (c) inventories; and (d) furniture and fixtures. Under 1967 legislation (Am. Sub. H.B. 480), as noted in No. 9, above, agricultural property assessments were scaled down, and, by 1973, eliminated from the personal property tax. This same legislation reduced wholesale and retail inventories and restaurant property (parts of classes c and d) from 70 to 50 percent between 1968 and 1971.

Further changes in personal property assessments were enacted in 1971 (Am. Sub. H.B. 475). Under this legislation, the assessment level for manufacturing and wholesale and retail inventories (all of class c) will be reduced from 50 to 45 percent in the 3 tax years 1972-74, and the assessment level for furniture and fixtures (balance of class d not affected by the 1967 legislation) will drop from 70 to 50 percent over the 5-year period 1972-76.

Answer 11

For tax year 1971, the 88 county auditors, in compliance with the provisions of section 5713.07 and 5713.08 of the Ohio Revised Code, reported to the board of tax appeals a valuation of nearly $5 billion of exempted real property. The board annually publishes a compilation of these valuations by type, by county. The 1971 valuations of exempted real property are as follows:

	Valuation (millions)
United States of America	$641
State of Ohio	456
County	192
Township	42
Municipalities	697
Board of education	1, 232
Park district (public)	69
Colleges, academies (private)	327
Charitable institutions (private)	475
Churches, public worship	753
Graveyards, monuments, cemeteries	74
Total	4, 960

It should be noted that the valuation of tax-exempt property represents over 16 percent of the valuation of all real property in the State. Six counties have more than a third of their real property exempt from taxation; one small county with a Federal nuclear powerplant has 81 percent of its real property tax exempt.

Answer 12

There is no such system in Ohio at the present time. Due to a variety of factors, however, there is considerable legislative interest in some means by shielding farmers from what many consider to be unduly heavy property tax burdens, and this problem almost certainly will be faced by the 110th general assembly which convenes January 1, 1973.

Answer 13

In December 1971, the Ohio General Assembly passed a biennial tax and budget bill which contained both homestead relief for senior citizen homeowners and a 10 percent across-the-board reduction in real property taxes.

To qualify for the homestead exemption a taxpayer must: (a) be 65 or more years of age: (b) own and occupy the property for which reduction is sought; and (c) make annual application with his county auditor. The reductions allowed areas follows:

If total income of owner and spouse is:	The assessed value for tax purposes is reduced by the lesser of:
$2,000 or less	$5,000 or 70 percent of assessed value.
$2,000–$4,000	$5,000 or 60 percent of assessed value.
$4,000–$6,000	$3,000 or 50 percent of assessed value.
$6,000–$8,000	$2,000 or 40 percent of assessed value.
More than $8,000	(No reduction).

The first tax bill for which the homestead exemption applies is the one sent out in December 1972. A total of 243,859 persons have applied for the reduction (we can probably assume that the overwhelming majority of these persons will actually qualify). Although no relief was granted in fiscal year 1972, it is estimated that $30 million of relief will be granted in fiscal year 1973.

The 10 percent reduction in real property taxes is simply an across-the-board cut granted to all taxpayers, both business and individual. This affects more than 4 million parcels of property. Because the reduction took effect midway through fiscal year 1972, the cost for that year was only about $63 million. The fiscal year 1973 cost is estimated to be $134 million.

For both forms of relief, the State reimburses the local government for tax reductions.

Answer 14

Article XII, section 2, of the Ohio Constitution, states, in part:

> No property, taxed according to value, shall be so taxed in excess of one percent of its true value in money for all State and local purposes, but laws may be passed authorizing additional taxes to be levied outside of such limitation, either when approved by at least a majority of the electors

> of the taxing district voting on such proposition, or when provided for by the charter of a municipal corporation. Land and improvements thereon shall be taxed by uniform rule according to value.

This constitutional provision limiting nonvoted property tax to 1 percent of true value has been interpreted to mean a limitation of 10 mills (although most property is assessed at a fraction of full value). Thus, the 1971 statewide average tax rate of 48 mills is mostly voted millage.

Another constitutional provision, article XIII, section 4, states simply that, "The property of corporations, now existing or hereafter created, shall forever be subject to taxation, the same as the property of individuals."

OKLAHOMA

Answer 1

The State of Oklahoma does not levy an ad valorem tax for State purposes. Therefore, exact data are not available on total property tax revenues in the 77 counties during fiscal 1972. Property taxes levied were $275,980,000. If property taxes that were actually collected were 90 percent of taxes levied, the property taxes would represent 26.6 percent of all State and local tax revenues. If property tax collections were at a 95 percent level, they would represent 27.7 percent of all State and local tax revenues. If all property taxes levied were collected, the revenues would represent 28.7 percent of all State and local tax revenues. It is estimated that the ratio of property tax revenues to total State and local tax revenues for fiscal 1972 would fall within the range of 27 percent to 28 percent.

Answer 2

There are 77 county assessors in Oklahoma, one for each county. They are elected for 2-year terms. They are not required to meet any professional qualifications.

Answer 3

No. Neither the State nor any of its jurisdictions provides salary incentives for assessors who complete special training courses.

Answer 4

The local officials who judge initial appeals from property tax assessments are appointed. No, they do not derive their authority to hear such appeals from the fact of holding other office. Their other involvements in assessment administration are:

(a) Equalize, correct, and adjust the assessed valuation of real and tangible personal property by raising or lowering the valuation of the property of any taxpayer to conform to the fair cash value thereof, as defined by law.
(b) Add omitted property.
(c) Cancel assessments of property not taxable.

(d) Review homestead exemptions and determine claimants' eligibility.

(e) Approve special revaluation budgets and apportion revaluation costs among the various recipients of ad valorem tax proceeds on a pro rata basis.

Answer 5

The State Board of Equalization is the State-level assessment review agency. Its membership is specifically named in the State constitution. The members are:

(1) The Governor (elected)
(2) The Attorney General (elected)
(3) The State Treasurer (elected)
(4) The Secretary of State (elected)
(5) The State Examiner and Inspector (elected)
(6) The State Auditor (elected)
(7) The President of the State Board of Agriculture (appointed)

The terms of office of the six members of the State Board of Equalization who are elected to office are for 4 years. The term of office of the president of the Board of Agriculture is 5 years. The State Board of Equalization assesses all property of railroads, utiilties, and other public service companies. While the board does not directly supervise local assessment standards and administration, certain limited authority has been statutorily vested in the Oklahoma Tax Commission to advise and assist the county assessors in the performance of their duties.

Answer 6

The Ad Valorem Tax Division of the Oklahoma Tax Commission conducted an annual sales-assessment ratio study through 1970. No studies have been conducted since then. When published, they were available to anyone requesting them. Stratification of the samples employed was along the lines of differentiation between "urban" and "rural" properties only.

Answer 7

As pointed out in the answer to question 5, above, no actual supervision of property tax assessments is exercised by a State agency, but the Oklahoma Tax Commission may advise and assist the county assessors. The Ad Valorem Tax Division of the Tax Commission performs this function. Its annual budget is merged in with the overall budget of the Tax Commission. In addition to the director of the Ad Valorem Tax Division, there are 12 staff employees. No industrial appraisers are on the payroll.

Answer 8

No. The individual county has been the assessment district for more than 10 years; there have been no changes in jurisdictional size during that time.

Answer 9

An ad valorem tax is imposed in Oklahoma on the following kinds of personal property, other than business property ("Yes" or "No"):

(a) Motor vehicles. No. (The license fee is in lieu of property tax.)
(b) Household goods and furnishings. Yes.
(c) Antiques and works of art. Yes.
(d) Jewelry and furs. Yes.
(e) Intangibles (stocks, bonds, savings accounts, etc.). No. (Abolished by constitutional amendment in 1968.)
(f) Livestock. Yes.
(g) Farm equipment and machinery. Yes.
(h) Standing timber. No. (Standing timber is statutorily declared to be part of the real estate, and the assessment of the land includes the value of such timber. It is not treated as personal property.)

In the list above, only intangibles have been exempted during the last 10 years. As noted above, it was accomplished by a constitutional amendment. It was abolished because of the difficulty of enforcement and the high administrative costs involved in attempting to effect adequate enforcement.

Answer 10

Prior to November 7, 1972, Oklahoma did not have a classification system setting different levels of tax on different classes of property. On November 7, 1972, the voters of the State adopted State Question 486, which amends the State Constitution to provide

> . . . that no real property shall be assessed for ad valorem taxation at a value greater than thirty-five percent (35%) of its fair cash value for the highest and best use for which such property was actually used, or was previously classified for use during the calendar year next preceding the first day of January on which the assessment is made. Provided, further, that the transfer of property without a change in its use classification shall not require a reassessment based exclusively upon the sale value of such property. In connection with the foregoing, the Legislature shall be empowered to enact laws defining classifications of use for the purpose of applying standards to facilitate uniform assessment procedures in this state.

No laws have been enacted yet, but the Oklahoma Legislature will convene its next session on January 2, 1973.

Answer 11

Exemptions of both real and personal property are controlled by article 10, sections 6 and 6A, and article 12-A of the Oklahoma constitution. Some exemptions apply only to personal property; others apply only to real property. Some apply to either real or personal property. Some exemtions apply to total value; others apply to specified limits of value. Some exemptions apply to all tax levies; others apply only to specified levies. A table has been prepared which outlines the basic exemption structure—a copy is attached. Examples of types of property exempted are given, but the examples given are only representative; they are not fully inclusive.

No: the State does not make and publish any regular assessment of the value of tax-exempt property, but each county assessor is required by law to place a value on most exempt properties (real estate) on his rolls, even though no tax is extended against the value.

Answer 12

No. Oklahoma does not have any provision to assure that land taxed as farm land is withheld from other forms of development and/or taxed retroactively when its use changes.

Answer 13

Oklahoma does not have, as yet, any provisions for relief of property taxes, such as relief to elderly persons or persons in low-income brackets. A bill to do this has been made ready for presentation to the 1973 session of the legislature.

Answer 14

The Oklahoma constitution has numerous sections (all in article 10) which make specific reference to the system of property taxation. These section numbers are listed below, and copies of the full texts of the sections are attached.

Section 6
Section 6A
Section 8
Section 9
Section 9A
Section 9B
Section 10
Section 10A
Section 12a (inoperative)
Section 21
Section 22
Section 26
Section 27
Section 27A
Section 28
Section 35

Also, article 12-A provides for a tax exemption on homesteads.

Exemptions from ad valorem taxation under Oklahoma law as of Jan. 1, 1970

Exemption description	Constitutional authority	Statutory authority	Type of property exempted	Maximum assessed value exempted	Levies exempted	Examples
1. Free public libraries	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	City and/or county libraries.
2. Free museums	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	Public or private free museums.
3. Public cemeteries	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	Any public cemetery.
4. Schools	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	Public and private schools, including those organized for profit.
5. Colleges	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	
6. Property used for religious purposes.	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	Church sanctuaries.
7. Property used for charitable purposes.	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	Charitable hospitals.
8. Property of the United States.	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	FAA; Tinker AFB; etc.
9. Property of the State of Oklahoma.	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	State capitol; court houses; city halls; housing authorities; urban renewal authorities; public trusts; industrial development authorities.
10. Property of counties	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	
11. Property of municipalities.	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	
12. Household goods of the heads of families, tools, implements, and livestock employed in the support of the family.	Art. 10, § 6	68 O.S. § 2405	Personal	$100	All	Self-explanatory.
13. All growing crops	Art. 10, § 6	68 O.S. § 2405	Personal (except timber).	Total	All	Self-explanatory.
14. Family portraits	Art. 10, § 6	68 O.S. § 2405	Personal	Total	All	Self-explanatory.

Exemptions from ad valorem taxation under Oklahoma law as of Jan. 1, 1970—Continued

Exemption description	Constitutional authority	Statutory authority	Type of property exempted	Maximum assessed value exempted	Levies exempted	Examples
15. Food, fuel, grain, and forage for the use of a family and its livestock, not to exceed 1 year's provisions.	Art. 10, § 6	68 O.S. § 2405	Personal	Total	All	Self-explanatory.
16. All game animals kept for propagation or exhibition purposes.	None	68 O.S. §2405	Personal	Total	All	Self-explanatory.
17. Property of qualified veterans.	Art. 10, §6	68 O.X. § 2045	Personal	$200	All	Any tangible personalty.
18. Property of servicemen on active duty.	None	68 O.S. § 2405	Personal	$200	All	Any tangible personalty.
19. Property of Whitaker Orphan Home	Art. 10, § 6	68 O.S. § 2505	Mixed	Total	All	Self-explanatory.
20. Property constituting a homestead	Art. 12-A	68 O.S. § 2407	Real	$1, 000	All	Self-explanatory.
21. Urban tracts larger than 5 acres.	Art. 10, § 6	11 O.S. §§ 481-482, + case law.	Real	Total	Municipal	Such tracts used agriculturally, and not receiving ordinary municipal services.
22. All intangible personal property.	Art. 10, § 6A	None	Intangible personal	Total	All	Cash, stocks, bonds, receivables, etc.

23. Goods, wares and merchandise in interstate movement ("Free port").	Art. 10, § 6A	68 O.S. § 2425	Personal	Total	All	Any merchandise entering Oklahoma, being held in the state not more than 9 months, for specified purposes, and then leaving Oklahoma.
24. Property exempt under territorial law, not subsequently deprived of exemption by the Legislature.	Art. 10, § 6	None	Mixed	Total	All	See No. 21.
25. Property exempt by reason of treaty stipulations existing between the Indians and the U.S. Government, or by reason of Federal laws, during the force and effect of such treaties or federal laws.	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	Restricted Indian land.
26. Property of all fraternal and other orphan homes.	Art. 10, § 6	68 O.S. § 2405	Mixed	Total	All	Self-explanatory.
27. Property of a factory or public utility, as an inducement to its location, for a period not exceeding 5 years, when approved by a majority of the electors of the city or town, voting at an election called for that purpose.	Art. 10, § 6	11 O.S. § 6	Mixed	Total	Municipal	Self-explanatory.

OREGON

Answer 1

Total property tax revenues amounted to $585 million for fiscal 1972–73. Fiscal 1970–71 is the last year we have complete data for all State and local tax revenue. In this year, property tax revenues totaled $486,618,000 or 42.13 percent of all State and local tax revenue.

Answer 2

The only property tax assessors Oregon has are county assessors. County assessors are elected for 4-year terms unless the county has a home rule charter. Currently, Oregon has five home rule counties, but with two requiring the assessor to be elected. Candidates for the office of county assessor are not required to meet any professional qualifications. Bills have been, and will be again, introduced before the 1973 legislature requiring some qualifications.

Answer 3

Neither the State nor the counties provide salary incentives for assessors to complete special training courses. The State makes a financial contribution to the training of assessors. During the fiscal year 1971–72, the State spent approximately $10,000.

Answer 4

County boards of equalization consist of three members. One member is a member of the county court or the county board of commissioners, as the case may be. This member is an elected official but appointed by the court or board of county commissioners to serve on the county board of equalization. The second member is appointed from the county budget committee. The third member is a freeholder appointed by the other two members of the board. Thus, the member of the board who is also a member of the county governing body, and the budget member of the board, serve on the county board of equalization by virtue of other offices they hold. The enclosed sheets from our 1973 manual for boards of equalization explain the circumstances under which the compilation of the board differs from that which I have described.

The county boards of equalization have the responsibility to hear appeals and to equalize the assessment roll. In addition, the boards are required to make recommendations to improve assessments, by not later than December 15 of each year, to the county assessors. The enclosed board of equalization calendar and schedule briefly explains the duties of the board throughout the year.

Answer 5

The director of the department of revenue is the sole member of the State-level tax assessment reviewing body. The director is appointed by the Governor and his term of office is 4 years. The department of revenue does have the responsibility for assessing intercounty property. Such centrally assessed property consists of the following companies: airline, electric, express, gas, heating, pipeline, railroad, tank and private car, telegraph, telephone, water, and water transportation.

Yes, the department supervises local assessment standards and administration.

Answer 6

The State department of revenue and the county assessors each make annual sales-assessment ratio studies. The studies are published annually and distributed to county assessors, county boards of equalization, legislative committees, and to others upon request.

The following classes of locally assessed properties are included in the studies: Residential land only; residential property (improved); commercial land only; commercial property (improved); industrial land only; industrial property (improved); tract land only; tract property (improved); farm and range property; farm and range zoned property; farm and range unzoned property; multiple housing land only; multiple housing property (improved); recreation land only; and recreation property (improved).

Answer 7

The assessment and appraisal division of the department of revenue is charged with the supervision of property tax assessments. The division's annual budget is now approximately $2,015,000. It is anticipated that for the 1973–75 biennium, the division's annual budget will be approximately $2,300,000. The division has 112 professional employees. Eleven are industrial appraisers.

Answer 8

No. Some increase in the size of assessment districts took place approximately 15 years ago. Oregon has had 36 counties for many years.

Answer 9

(*a*) Motor vehicles—No.
(*b*) Household goods and furnishings—No.
(*c*) Antiques and works of art—No.
(*d*) Jewelry and furs—No.
(*e*) Intangibles—No.
(*f*) Livestock—Yes.
(*g*) Farm equipment and machinery—Yes.
(*h*) Standing timber—Yes.
  All timber in eastern Oregon is subject to a severance tax instead of a property tax. In western Oregon, reproduction and all other timber under 12 inches in diameter breast height is exempt from property taxation.

Oregon law provides for phasing out merchandise inventory as follows: 1969—5 percent; 1970—10 percent; 1971—15 percent; 1972—20 percent; 1973—30 percent; 1974—40 percent; 1975—50 percent; 1976—60 percent; 1977—70 percent; 1978—80 percent; 1979—90 percent; and 1980—100 percent.

The definition of inventory includes all livestock.

Considerations which motivated the statutory exemption provisions were:

(1) A tax on inventories forced business to keep inventories low; and

(2) A tax on inventories created tax inequities between businesses that required a small inventory.

Answer 10

Oregon does not have a classification system setting different levels of tax on different classes of property. All classes are required to be appraised and assessed at 100 percent of true cash or market value, with a 10 percent tolerance permitted.

Answer 11

The department makes an annual estimate of the value of exempt properties. The estimate is based to a large extent on reports filed with the department by the county assessors. The 1971 report enclosed lists the various exemptions. (ORS, 308.345–395; 215.130–213; 321.605–680.)

Answer 12

Yes, Oregon statutes provide for special assessment of qualifying land that is zoned exclusively for farm use and, also, for the special assessment of unzoned farmland that qualifies by application. Enclosed are copies of the applicable statutes, the Oregon administrative rules, and an application for special assessment of unzoned farmland.

Oregon also has statutory provision for special assessment of open-space land. Oregon also has a designated forest land law which is similar to the unzoned farm-use law. Formerly a western Oregon law, it now also applies to eastern Oregon forest land. The applicable statutes are enclosed.

Answer 13

Oregon's Homeowners' Property Tax Relief Act was enacted in 1971. A circular explaining the law is enclosed. Applicants for the property tax relief must be Oregon residents who own and occupy their homesteads. The amount of the homeowner's property tax relief depends upon the relationship of his income to the property tax on his homestead. Approximately 89,500 homestead owners filed claims amounting to $11,834,641 in 1972.

The 89,500 figure includes 7,800 senior citizens who filed under both the homeowner's property tax relief law and the serior citizens' residential exemption law. The residential exemption was granted by the counties, but the State reimbursed the counties for the tax moneys not paid by the senior citizens by virtue of the exemption. A total of approximately 22,000 senior citizens filed claims for the residential exemption, and the State reimbursed the counties in the amount of $3,137,115. The total number of taxpayers who benefited from property tax relief paid for by State funds, was the 89,500 who filed claims under the homeowners' property tax relief law, plus about 14,200 who only filed under the senior citizens' residential exemption law. The total payment by the State was the sum of the payments made under the two laws or $15,071,756. This was the last year for the senior citizens' residential law. This law has been repealed.

Oregon also has a senior citizens' homestead deferral law. It has not been repealed. Nearly 300 senior citizens are receiving the benefits of this law. The enclosed circular explains the manner the State participates in this law. Oregon also has the veterans' exemption law as explained by the enclosed circular. The State does not reimburse the counties for tax moneys not paid by veterans by virtue of this exemption.

Answer 14

Three articles of Oregon's constitution make specific reference to the system of property taxation. We have enclosed a copy of these constitutional provisions. (Articles I, IX, XI.)

PENNSYLVANIA

Answer 1

Tax revenues for fiscal 1972 are not available. In fiscal year 1971, property tax revenues were about $1.557 billion in Pennsylvania, while total State and local tax revenues were $5.279 billion. Those property tax revenues were about 29.5 percent of all State and local tax revenues. These figures include taxes on public utility property, which are collected by the State but remitted to the local governments. In these calculations, they are counted as local government revenues.

Answer 2

Tax assessment is under the control of a county board of assessors which is appointed by the county commissioners and except in the largest counties may be the county commissioners themselves. The board of assessment appoints a county assessor. Local assessors are elected in the boroughs and townships while cities either use county assessors or appoint assessors of their own. By statute, local assessors collect data and report to the county assessor, although in practice much of this assessment is done by private firms under contract to the county board of assessors, and in many counties the elected officials have very little authority. There are no specific professional qualifications for assessors.

Answer 3

We are unaware of any salary incentives for assessors who complete the special training courses. However, the State, in cooperation with the county assessors association, sponsors a series of 2-day seminars in eight or nine locations throughout the State. The cost of these seminars is borne jointly by the assessors association and the State, with the former paying two-thirds and the latter one-third. Last year, the cost of this course was about $22,000.

Answer 4

Appeals boards are appointed by the county commissioners. They determine the assessments and are the first level of appeal. In many cases, their members are the county commissioners. The board of assessors appoints a county assessor and is responsible for the overall administration of property assessment in each county.

Answer 5

There is no State level body which supervises local assessment standards and administration. The State tax equalization board calculates statewide equalization formulas based on local assessments. These are the basis for State subsidies to local school districts. The State tax equalization board does no assessing of its own.

Answer 6

The State tax equalization board conducts yearly sales-assessment ratio studies. They are published each year and are available and distributed to the public as requested. All classes of nonexempt property are included in the ratio studies.

Answer 7

There is no State agency charged with supervising property tax assessments.

Answer 8

There have been no changes in the size of assessment districts in the last 10 years. These districts are the counties.

Answer 9

The only ad valorem tax on personal property is for intangible property.

Answer 10

In general, Pennsylvania has no system of setting different levels of tax on different classes of property. This is prohibited by the uniformity clause of the State constitution. However, by law, Pittsburgh and Scranton tax land at twice the millage that they tax improvements. This is true for all classes of taxable property in those communities.

Answer 11

Exemption from real property taxes is mandated by the constitution. Specific exemption is statutory. Current exemptions include churches and church grounds, nonprofit burial grounds, hospitals, universities, colleges, seminaries, academies, benevolent and charity institutions, fire and rescue stations, public schoolhouses, courthouses, jails, public parks, public property used for public purposes, playgrounds, public libraries, museums, concert halls, and art galleries. Exempt property is not regularly assessed, and much of it is assessed at only nominal value. In 1970, a State house committee estimated that 15 to 20 percent of Pennsylvania property was exempt from taxation.

Answer 12

Since 1966, Pennsylvania has had a law enabling larger counties to covenant with landowners for preservation of land in farm, forest, water supply, or open space uses. After the land is designated in one of these categories by a local planning authority, the landowner may covenant with the taxing authorities for 5-year periods, and the assessment in this period can reflect the fair market value of the land as restricted by the covenant. The penalty for breach of covenant by the landowner is payment of the difference in taxes plus 5-percent compound interest per year. (See attachment 1.)

Answer 13

Under a 1971 law, the State may rebate property taxes to the elderly with incomes of less than $7,500 per household. The rebates are on a sliding scale with 100-percent tax rebate if income is between zero and $999, 50-percent rebate for income between $3,000 and $3,500, and 10-percent rebate for incomes between $6,000 and $7,500. Widows over 50 years old, the disabled, and all over 65 who meet the income qualifications are eligible. Last year, the State rebated taxes to 263,000 people. The total amount of the rebates was $25.3 million.

Answer 14

Article 8 of the State constitution contains specific provisions related to property taxes. Section 1 declares that all taxes shall be uniform upon the same class of subjects within the limits of the authority levying the tax. Section 2 gives the general assembly power to exempt certain classes of property from taxation. This section includes authority to exempt persons who are disabled and those who are poor. (See attachment 2.) In addition, article 3, section 32, prohibits the general assembly from making any local or special law exempting property from taxation.

RHODE ISLAND

Answer 1

Total property tax revenues for 1971–72 were $202,478,214. Total State tax revenues were $295,273,408. Property taxes represented 40.7 percent of the total State and local tax revenue. This was similar to the preceding year when property tax revenues were $179,661,550; State tax revenues were $267,748,671; and property taxes represented 40.2 percent of the total State and local tax revenue. It should be noted that the property tax represents a smaller percentage of the total State and local tax since the introduction of the personal income tax, on July 1, 1971. During the 1969 fiscal year, property taxes represented 44.2 percent of all State and local taxes.

Answer 2

In nine of Rhode Island's 39 cities and towns the local property tax assessors are elected. In towns where assessors are elected, there are three part-time assessors. The towns which elect assessors are:

Burrillville
Exeter
Jametown
New Shoreham
Portsmouth
Richmond
Tiverton
Warren
West Greenwich

In the remaining 30 cities and towns there are full-time appointed assessors. Any professional requirements are determined at the local level.

Answer 3

There is no State or local salary incentive system for special training of assessors; pay levels are determined at the local level.

Answer 4

The boards of review of assessments are appointed for that specific office at the local level.

Answer 5

There is no State level tax assessment review agency in Rhode Island. However, the tax equalization section of the department of community affairs attempts to fill that gap. Findings by that agency are not used to equalize or adjust local assessments, but are used in computing State aid to education.

Answer 6

Sales-assessment ratio studies are done annually by the tax equalization section of the department of community affairs for internal use only; they are not published. All classes of property are examined in their studies, including residential property, vacant land, and utilities.

Answer 7

There is no Rhode Island agency charged with supervision of property tax assessment.

Answer 8

There has been no change in the size of assessment districts in the last 10 years; each community is responsible for its own assessments. The last such change was made in 1913, when the town of West Warwick was separated from the city of Warwick. There have been no municipal annexations in the 20th century.

Answer 9

The following types of personal property may be assessed and taxed at the local level:

Motor vehicles
Household goods and furnishings
Antiques and works of art
Jewelry and furs
Livestock
Farm equipment and machinery

The following table presents the total assessed value for personal property classifications as of December 31, 1969. Personal property represented 19.64 percent of the property tax base for the State in that year.

Personal property

	Percent of total property tax base	Number of parcels or items	Value per item	Total assessed value
Motor vehicles	10. 27	430, 414	$946	$407, 238, 540
Commercial I	. 62	16, 626	1, 492	24, 804, 742
Commercial II	4. 73	5, 372	34, 906	187, 516, 949
Industrial	3. 44	2, 127	64, 116	136, 375, 069
Unregistered farm vehicle and implements	. 01	145	2, 169	314, 468
Unregistered construction vehicle and implements	. 01	27	9, 093	245, 500
Leased on rented machines	. 14	132	44, 476	5, 870, 878
Boats	. 01	562	559	314, 200
Livestock	. 01	71	2, 000	142, 400
Mobile homes	. 09	1, 953	1, 981	3, 868, 315
Buildings on leased land	. 19	2, 439	3, 177	7, 747, 985
Household furnishings	. 12	5, 570	860	4, 788, 884
Total	19. 64			779, 227, 930

Although art treasures, personal belongings, antiques and other related categories could have been assessed for tax purposes, no community assessed these categories in December 1969.

The locally assessed intangible property tax was eliminated in 1969. Standing timber is not taxed as such but would be included in the assessed value of vacant land.

The local communities decide what types of personal property which are authorized by the general assembly will be taxed in their city or town. The financial and personnel limitations of the assessors office do curb the expansion of the tax base.

Answer 10

The State of Rhode Island does not allow different classes of property within any community to be taxed at different rates; there must be a uniform percentage of the assessed market value applied to all classes of property in any single municipality. Property classifications are listed in the attached table. It should be noted that each municipality determines its own uniform percentage.

Answer 11

There are two types of property tax exemptions in Rhode Island, statutory and personal. The exemptions include both personal and real property. Also, all classes of personal and real property are taxed at the same rate. Therefore, it is difficult to separate out whether an exemption is actually for real or personal property or what classification of property is exempt. However, an analysis of exemptions would be an important indication of potential growth of the tax base for a small State like Rhode Island.

The following table lists the kinds and amounts of statutory exemptions for the 1972 tax roll:

Type:	*Assessed value of exemption*
Cemeteries	$12, 666, 222
Charities	13, 141, 752
Church	104, 522, 624
Ex-charter	30, 594, 465
Federal	341, 788, 158
Hospital	76, 098, 118
Libraries	8, 379, 449
Military	3, 471, 386
Municipal	195, 405, 224
School	311, 718, 571
State	201, 926, 011
Tax sales	451, 145
Vote of city	9, 810, 279
Miscellaneous	82, 320, 587
Total assessed value	$1, 392, 293, 991

There are several types of personal exemptions, which are listed below. To receive any of these exemptions the applicant must be a Rhode Island resident and must file an application with the local assessors office.

Type exemption	*Amount of exemption*
Veterans (World War I, World War II, Merchant Marine in World War II, Korea, Viet Nam and others)	$1, 000
Total service-connected disabled veteran	2, 000
Total service-connected disabled veteran who lives in "specially adapted housing"	10, 000
Unmarried widow of qualified veteran	1, 000
Gold-Star parents (one only)	1, 500
Totally blind residents	3, 000
Fallout shelter, not exceeding	1, 500
Persons 65 years of age and over (exemption, amount and conditions determined by city or town)	([1])
The estates, persons, and families of the president and professors for the time being of Brown University for each not more than $10,000 for each such officers, his estate, person, and family included	10, 000

[1] Usually $1,000 to $1,500, but sometimes a percentage of income.

The following table shows the amounts and type of personal exemptions for the 1972 tax roll.

Type exemption:	*Assessed value of exemption*
Blindness	$1, 329, 100
Elderly	20, 147, 400
Gold Star	740, 210
Inability	3, 319, 080
Professor at Brown University	712, 880
Reforestation	176
Veterans	85, 479, 907
Widows of veterans	938, 605
Disabled veterans	164, 730
Tax sale	41, 500
Miscellaneous	817, 085
Total assessed value of personal exemptions	113, 690, 673

Total property assessed for tax purposes amounted to $4,671,998,498 of real and tangible property for the 1972 tax roll. This included the $113,690,673 of personal exemptions. These personal exemptions represented a loss of $5,521,860 in tax revenue. Statutory exemptions, which are not included in the tax base, amounted to $1,392,293,991 of assessed property. The statutorily exempt property was equal to 29.8 percent of the real and personal property tax base. There is no estimate of the loss in revenue for statutory exemptions. As of 1972 each city and town must publish the assessment value of all tax exempt property.

Answer 12

The Rhode Island Legislature passed a special tax consideration act for farm, forest, and open space land on June 24, 1968. This law states, in part:

> that it is in the public interest to prevent the forced conversion of farmland, forest and open space land to more intensive use as the result of economic pressures caused by the assessment thereof for purposes of property taxation at values incompatible with their preservation as such farm, forest and open space land * * *.

The procedures used to tax land at its existing use instead of its potential use are explained in the attached copy of this bill. This bill also provides for rollback taxes when the use of this farm, forest, or open land is changed.

There are several problems associated with the existing law. While a landowner may apply for special consideration for his property, the local assessor has final approval. Also, the law does not specifically mention salt or fresh water wetlands. At this time the inclusion of wetlands areas for special tax consideration is based on the decision of the local assessor.

The present law is not consistently applied or interpreted in Rhode Island's 39 cities and towns, For this reason, the law is largely ineffective in preserving open space, but does provide a tax shelter for land speculators.

Answer 13

Property tax relief is given in the form of property tax exemptions. For details of exemptions see question 11.

Answer 14

The cities and towns can only tax if they are so authorized by the General Assembly. The State constitution sets the basis for this procedure as provided in article IV, section 15:

> The general assembly shall, from time to time, provide for making new valuations of property, for the assessment of taxes, in such a manner as they may deem best * * *.

This authority is further clarified in section 5, amendment XXVIII, adopted June 28, 1951: "Nothing contained in this article shall be deemed to grant any city or town the power to levy, assess and collect taxes or to borrow money, except as authorized by the General Assembly".

SOUTH CAROLINA

Answer 1

The latest figures available on property tax revenues are for the fiscal year 1970–71. Total property taxes amounted to $188,398,980. Total State and local tax revenues (excluding Federal Government revenue) amounted to $849,160,620. The property tax was 22.2 percent of the total tax revenue.

Answer 2

Local property assessors are appointed and they are not required to meet any qualifications.

Answer 3

The State nor the local jurisdiction provides salary incentives for assessors who complete special training courses. The State helps finance a school for county assessors and will assist in training county assessors if the county delegation so request. The cost of this is absorbed by the Property Tax Division and an actual figure is not available.

Answer 4

The local officials who judge the initial appeals are appointed. They do not derive their authority to hear such appeals from the fact of holding other offices.

Answer 5

The South Carolina Tax Commissioners who are appointed by the Governor for a 6-year term are the State-level tax assessment review agency. The Tax Commission assesses all public utilities, manufacturers, merchants, fixtures, and inventory. The Tax Commission also supervises local assessments.

Answer 6

The property tax division of the tax commission conducts sales-assessment ratio studies. Such studies are only made when requested by the county. The ratios are not published and are only distributed to the counties that request such studies. The ratio studies include commercial, residential, and real property.

Answer 7

The annual budget of the property tax division of the tax commission for the fiscal year 1972–73 is $417,907. The property tax division has 13 professional staff employees which also handle the industrial appraisals.

Answer 8

There has been no material change in the size of assessment districts in the last 10 years.

Answer 9

The State does not impose an ad valorem tax.

Answer 10

The only ratio set forth by law is the 9.5 ratio for all property assessed by the tax commission.

Answer 11

The State does exempt certain real property from the ad valorem tax. Article 10, section 4, of the South Carolina constitution exempts:

> There shall be exempted from taxation all county, township, and municipal property used exclusively for public purposes and not for revenue, and the property of all schools, colleges, and institutions of learning, all charitable institutions in the nature of asylums for the infirm, deaf and dumb, blind, idiotic, and indigent persons, except where the profits of such institutions are applied to private uses; all public libraries, churches, parsonages, and burying grounds; but property of associations and societies, although connected with charitable objects, shall not be exempt from State, county, or municipal taxation: *Provided*, That as to real estate this exemption shall not extend beyond the buildings and premises actually occupied by such schools, colleges, institutions of learning, asylums, libraries, churches, parsonages, and burial grounds, although connected with charitable objects.
>
> *Provided, further*, the general assembly may by act exempt from taxataion household goods and furniture used in the home of the owner thereof.

The State does not make or publish any regular assessment of the value of tax-exempt property.

Answer 12

The State does not have any provisions for such as the greenbelt laws or restrictive agreements.

Answer 13

The State of South Carolina has a homestead exemption which grants relief to persons 65 years old and older. The exemption is $5,000 of the fair market value. During fiscal year 1972, there were approximately 49,289 persons eligible for this exemption; however, the records available at this time do not reflect exemptions for approximately 47 percent of the persons eligible. The amount exempted, excluding the 47 percent, was $573,414.84. It is expected that the total will be over $1 million.

Answer 14

Article 10, section 1, of the South Carolina constitution provides for a uniform and equal rate of assessment and taxation, and shall prescribe regulations to secure a just valuation. *Provided, further*, That the general assembly may provide for the assessment of intangible personal property.

Article 10, section 4, provides for the exemptions from property taxation.

Article 10, section 5, authorizes the corporate authorities of counties, townships, school districts, cities, towns, and villages the power to assess and collect taxes for corporate purposes.

Article 10, section 13, provides that there shall be one assessment for all taxes.

Article 10, section 13A, provides that all property subject to taxation shall be taxed in proportion to its value.

Article 8, section 6, states that municipal taxes must be uniform.

Article 8, section 3, gives the general assembly the authority to restrict the powers of cities and towns to levy taxes and assessments.

SOUTH DAKOTA

Answer 1

Property tax revenues for the State of South Dakota will be approximately $157,588,072 for 1972. The State receives none of this revenue, since it is all levied for use at the local level.

Answer 2

All assessors are locally appointed, and they need not meet any professional requirements.

Answer 3

The State or local governments provide no salary incentives for special training courses or professional designations. The State has allocated $20,000 annually for many years so that an annual school can be held for assessor instruction.

Answer 4

Local officials are the local board who govern the tax entity, and they are elected officials. Generally, the local board terms are for 2 or 3 years. Our local board of equalization is composed of the members of the local governmental board who are the elected officials of that tax entity. The next appeals board is composed of the county commissioners, who are the county board of equalization and also are elected

Answer 5

The State board of equalization is composed of five members who are appointed by the Governor for 3-year terms. They are the final board of appeals for individual assessment grievances and also make the final decision on utility assessments. They may raise or lower county level of assessments, by classes, when appealed by another tax entity, where overlapping school districts require equalization. They may raise or lower any class of property, in any county, where they feel an adjustment is needed, but this adjustment is limited by other criteria that, in fact, makes it more of a nuisance than a value.

Answer 6

The sales ratio is initially started at the county level, where the assessor is required to certify to the department of revenue that sales meet the standards set up by said department. They then are further analyzed at the state level and computerized for final analyzation. It is our opinion that South Dakota has one of the finer and more accurate sales ratios in the entire country. It has been so declared by experts in and out of court. The sales ratio is compiled and published annually by the department of revenue. All types of real property are included, by classes, such as residential lots, commercial lots, with structures and without structures. Our annual ratio reports are distributed to all assessment officers, legislators, libraries, and any other interested public official in the State of South Dakota.

Answer 7

The 1972–73 budget for the property tax division is less than $150,000. This includes a staff composed of a director, deputy, field supervisor, secretary, statistician and four fieldmen, of which five are working in the field most of the time.

Answer 8

There has been no change in size of our assessment districts in the past 10 years. The assessment districts are by counties.

Answer 9

Ad valorem is imposed on household goods and furnishings, antiques and works of art, jewelry, furs, intangibles, livestock, farm machinery and equipment. Standing timber is valued as part of real estate, not as a separate item.

Answer 10

Our classification of properties for different levels of assessment are limited to money and credits, grain and seed, telephone property outside of city limits, and agricultural property.

Answer 11

Real property exemptions are given to all charitable, benevolent, and religious societies used for charitable, benevolent, and religious purposes. Our last published list of the exempt property is by tax entity and was for the 1970 legislature. Of course, all property owned by all government entities are exempt.

Answer 12

At the present time, there is little restriction for land development in South Dakota. Our agricultural and values are regulated somewhat by statute. The mill levy application to agricultural property (real and personal) is limited for school purposes. The first 8 mills is applied on all property, and thereafter two mills is applied to nonagricultural property to 1 mill for agricultural property, up to a maximum of 24 and 40 mills.

Answer 13

Property tax relief for the elderly was enacted by the 1972 legislature. The limit was $1,000 of the assessed value of real estate for individuals over 65 years of age, who also were required to meet other criteria to receive such an exemption. At this time, it is unknown factor as to number and amount of dollars involved. Prelegislation investigations showed a maximum of approximately $3 million worth of assessed property to receive tax relief.

Answer 14

I have included a copy of that portion of our constitution that makes specific reference to taxation. (Article IX, sections 2–5.)

TENNESSEE

Answer 1

$380,000,000; 19 percent.

Answer 2

(a) Elected.
(b) No.

Answer 3

(a) Yes. Recent legislation provides additional compensation out of funds available to the State Division of Property Assessments for those assessors and their deputies who have completed the necessary courses of study and training and have been designated by the International Association of Assessing Officers as a "Certified Assessment Evaluator." Further, the State Board of Equalization has provided out of funds available to the State board incentive increases in compensation to assessing officials who have successfully completed certain courses of study and training and have been designated by the State Board of Equalization as a "Tennessee Certified Assessor."

(b) The State Board of Equalization and State Division of Property Assessments, in cooperation with the University of Tennessee, conducts the courses for such training. The only costs incurred by assessing officials who attend these courses is their living expenses during the duration of the courses, and most counties reimburse these assessing officials for such expenses.

Answer 4

(a) Appointed by the county court, or governing legislative body of the local jurisdiction.
(b) No.

Answer 5

(a) By law, the State Board of Equalization consists of the Governor, Secretary of State, Comptroller of the Treasury, State Treasurer, and two persons appointed by the Governor with knowledge and experience in city and county government.

(b) Each term of office is as follows:
Governor, 4 years.
Secretary of State, 4 years.
Comptroller of the Treasury, 2 years.
State Treasurer, 2 years.
Appointee with experience in city government, 4 years.
Appointee with experience in county government, 4 years.

(c) They do not have the responsibility of assessing intercounty property although they have the responsibility to review the assessments of such property. This property includes all property assessed by the Public Service Commission, and includes all of the properties belonging to the following persons and companies: (1) railroads; (2) telephones; (3) telegraphs; (4) sleeping cars; (5) freight cars; (6) streetcars; (7) power, whether hydroelectric, steam, or other kinds, for the transmission of power; (8) express; (9) pipelines; (10) gas companies; (11) electric light companies; (12) motor bus and/or truck, and (13) water companies.

(d) Yes.

Answer 6

(a) The State Division of Property Assessments.

(b) As often as needed.

(c) They are published upon their completion and made available to any interested person.

(d) Real property assessed by local assessing officials.

Answer 7

(a) $956,200.

(b) 70.

(c) None whose duties are limited to the appraisal of industrial property; however, seven of our staff employees have been designated "Certified Assessment Evaluator" by the International Association of Assessing Officers and have had some experience in appraising industrial property.

Answer 8

No.

Answer 9

Tennessee imposes an ad valorem property tax upon all property, except such property specifically exempted by law. A recent amendment to the constitution does provide for an exemption of $7,500 of tangible personal property which shall cover household goods, furniture, wearing apparel, and other such tangible personal property in the hands of a taxpayer. Legislation implementing this constitutional amendment will be enacted during the upcoming session of the general assembly.

Answer 10

(a) Yes.

(b) Please find attached hereto the recently approved constitutional amendment regarding the classification of real and personal property. (Art. 2, sec. 28.)

Answer 11

(a) Yes.

(b) The property herein enumerated shall be exempt from taxation:

(1) All property of the United States, all property of the State of Tennessee, of any county, or of any incorporated city, town, or taxing district in the State that is used exclusively for public county or municipal purposes.

(2) The real estate owned by any religious, charitable, scientific, or educational institution occupied by such institution or its officers exclusively for carrying out thereupon one or more of the purposes for which said institution was created or exists.

(3) All cemeteries, places of burial used as such, and monuments of the dead.

(4) All roads, streets, alleys, and promenades where condemned, dedicated, or thrown open for public travel or use free of charge.

(5) All growing crops of whatever kind, the direct product of the soil of this State, in the hands of the producer or his immediate vendee, and articles manufactured from the produce of this State in the hands of the manufacturer.

(6) Personal property, not including that by way of income, of the value of $7,500 in the hands of each resident taxpayer; provided that any conveyance of personal property, including money, bank stock, notes, choses in action, accounts, or other evidence of indebtedness—in trust or otherwise—to any minor by the parent or parents thereof shall be presumed to have been made for the purpose of avoiding the payment of taxes thereon, if it appears that such conveyance affects enough personal property which, added to the amount, will exceed the aggregate, the amount heretofore set out as exempt from taxation, and it shall be the duty of the assessor to list all such property as the property of the person making such conveyance or creating such trust; provided, that the maker or makers of the trust instrument or conveyance or delivery of such property may appear before the county board of equalizers and by proof establish the bona fides of such trust or conveyance.

(7) All property protected by valid charter or contract exemption.

(8) Leasehold estates and improvements thereon, in the hands of the lessee, holding under incorporated institutions of learning in this State, when the rents therefor are used by said institutions purely for educational purposes, where the fee in the same is exempt from taxation to said institutions of learning by charter granted by the State of Tennessee.

(9) Personal property which (a) is moving in interstate commerce through or over the territory of the State of Tennessee, or (b) was consigned to a warehouse within the State of Tennessee from outside the State of Tennessee, for storage, in transit, to a final destination (whether specified when transportation begins or afterwards) which is also outside the State of Tennessee, shall be deemed not to have acquired a situs in the State of Tennessee for purposes of ad valorem taxation.

(10) Personal property in the hands of the manufacturer, processer, or assembler, transported to a plant, warehouse or establishment within the State of Tennessee from outside the State, for storage, processing, assembly or repackaging, and held for eventual sale or other disposition, other than at retail, to a destination (whether specified when transportation begins or afterwards) which is outside this State, shall be deemed not to have acquired a situs within the State of Tennessee for purposes of ad valorem taxation.

In the event such personal property mentioned in this subdivision is held for sale or eventual disposition to destinations both within and without the State of Tennessee, then this exemption shall be applicable to that percentage of the value of such personal property, in the same proportion which sales or other dispositions to final destinations outside of the State of Tennessee during the preceding year, bears to the total sales or dispositions of such personal property by such manufacturer, processer, or assembler during such preceding year. This exemption is in addition to, and does not limit in any respect, all existing exemptions.

(11) The real estate owned or leased by an educational institution and used for dormitory purposes for its students, even though other student activities are conducted therein, and even though the student's spouse or childrn may reside therein.

(12) (a) All property of Tennessee not-for-profit general welfare corporations whose projects are financed by a loan made, insured, or guaranteed by a branch, department, or agency of the U.S. Government under §§ 202 or 236, either or both, of the national housing act, devoted to below-cost housing for elderly persons as defined by the national housing act, as amended, who have incomes not in excess of those established by the Department of Housing and Urban Development, shall be exempt from all ad valorem and personal taxes of any county, municipality, or metropolitan government so long as there is an unpaid balance outstanding on said loan and so long as the corporation remains not-for profit.

(13) Real property up to the value of $25,000 when such property is owned and is used exclusively by a disabled veteran as a home.

(14) All appliances, equipment, machinery, structures, or other such property or portion thereof used primarily and necessary for the control, reduction, or elimination of water or air pollution, provided that a certificate has been issued to the applicant by the Tennessee Department of Public Health.

(c) No.

Answer 12

No.

Answer 13

(a) A law has been enacted to become effective January 1, 1973 to provide that:

> There shall be paid from the general funds of the State to every taxpayerr 65 years of age, or over, whose annual income from all sources does not exceed $4,800 the amount necessary to reimburse such elderly low income taxpayer for all or part of the State or local property taxes he has paid in a given tax year on that property which he uses as his residence and had used as his residence for a period of at least 1 year prior to the most recent date of assessment affecting that property, provided that such tax refund or payment shall be made by the State to each such taxpayer shall be an amount equal to the combined State, county, and municipal taxes actually paid on the first $5,000 worth of the full market value of such property, based upon assessments made after January 1, 1973.

(b) This law was not in effect in fiscal 1972.

Answer 14

(a) Article 2, section 28 of the State constitution was revised by the Limited Constitutional Convention of 1971 and ratified by the people of Tennessee in August of 1972. A copy of said amendment is attached hereto.

TEXAS

Answer 1

We do not yet have the final information on tax revenues for fiscal 1972. In fiscal 1970, property tax revenues totaled $1.43 billion and $1.57 billion in fiscal 1971 (10 percent increase). Based on those figures, the projected revenue for fiscal 1972 is approximately $1.7 billion.

Property tax revenues have traditionally represented approximately 50 percent of all State and local tax revenues in Texas.

Answer 2

The county tax assessor/collector is elected in all 254 counties of the State. In a very few of the less populous counties, the elected sheriff serves also as the assessor/collector. There. Many of the other municipalitie have appointed assessor/collectors.

There are no statutory professional qualifications imposed on assessory collectors.

Answer 3

The answer to the questions is no. There is, however, an opportunity for assessor/collectors to attend a variety of professional conferences sponsored by the Texas Association of Assessment Officers.

Answer 4

At the county level, the elected county commissioners hear initial appeals sitting as the county board of equalization. The commissioners court also determines the budget level of the assessment office which has a significant impact on the level of assessment/collection activities.

Appeals from assessments in municipalities and school districts are heard by boards of equalization appointed by the mayor/city council and school board of trustees respectively.

Answer 5

The only State-level tax assessment review agency in Texas is the Intangible Tax Board composed of the State comptroller, the secretary of state, and the State treasurer. The comptroller and the treasurer are elected officials with 2-year terms (due to a constitutional amendment in 1972, those elected terms will be increased to 4 years effective 1974). The secretary of state is appointed to office by the Governor and serves a term running concurrently with that of the Governor (4 years effective 1974). The Intangible Tax Board is responsible for the assessment of ad valorem taxes on the intangible assets of railroads, pipeline companies, and motor carrier companies. The board makes an annual assessment and distributes it to taxing districts for collection on a mileage per district basis. There is no State-level supervision of local assessment standards or administration.

Answer 6

There is no formal or established pattern of sales-assessed ratio studies in Texas at the State or local level. Some of the major municipalities do "spot checks" on a single-family residence basis, but the results are not published.

Answer 7

There is no such agency in the State of Texas.

Answer 8

There have been no formal or affirmative efforts to directly increase or decrease the size of assessment districts. There has, however, been a trend toward larger assessment districts as the result of indirect activities. Increasingly, tax assessment has been administered jointly on a contract basis between municipalities and school districts. With the consolidation of a number of school districts, the assessment districts of these joint assessors operations have expanded in size.

Answer 9

The State law does impose ad valorem tax on most of these types of nonbusiness personal properties; however, the application of the tax law is extremely inconsistent from jurisdiction to jurisdiction. The reasons for this inconsistency are several; however, they focus primarily with the administrative costs both in money and manpower to enforce the law.

There is a $250 exemption allowed on household goods and furnishings.

Answer 10

There is no classification system for the administration and differentiation of ad valorem taxing levels in Texas. Some assessors do classify real property according to use; however, that classification serves merely as a method of valuation rather than a method of sorting for the application of different tax rates.

Answer 11

Attached is a copy of Vernon's Annotated Civil Statutes, article 7150, which enumerates the property exemptions in the State (attachment A). As you will notice, property is generally exempted on the basis of of ownership (e.g., churches, YMCA, Boy Scouts of America, and so forth) rather than particular use. The constitution also provides a $3,000 homestead exemption on residential property and an additional allowable homestead exemption for persons 65 years or older.

Answer 12

Article VIII, section 1-d(f), of the State constitution provides for a form of restrictive agreement and retroactive taxation on land which is designated agricultural and subsequently changes in use. (See attached copy of State constitution, article VIII).

Answer 13

The State of Texas has no laws providing for a scheme of property tax relief.

Answer 14

Attached is a copy of article VIII of the State constitution which provides the basic foundation for the property tax system in Texas (attachment B).

UTAH

Answer 1

The total property tax revenues charged for 1972 equal $169,207,884. This represents approximately 34.5 percent of total State revenues.

Answer 2

Local county property tax assessors in our State are elected. There are no professional qualifications required for election to this office. (A recent statute prohibits the appraisal of any property having a market value in excess of $2,000 by an appraiser or assessor unless certified by the State Tax Commission.)

Answer 3

There are no salary incentives for assessors to complete special training courses. The State provides free schooling for local county assessors and their staffs. Living and travel expenses are paid for by the county.

Answer 4

The local officials who judge initial appeals are the elected county commissioners, of which there are three. When so acting, they are known as the "county board of equalization." They derive their authority to hear such appeals from the fact of holding the commission office. There is pending in the courts the question as to whether the county board of equalization has the authority to exempt property placed on the tax rolls by the assessor. Heretofore, the board has exercised such a jurisdiction.

Answer 5

The State Tax Commission, a four-member body, operates as a quasi-judicial body in reviewing tax appeals coming up from the local county boards. The authority to hear such appeals is vested under the constitution and statutes. This appeal function applies only to locally assessed property. All mines, utilities, railroads, and gas and oil properties are assessed directly by the State Tax Commission. The supervision of locally assessed property, the setting of standards are an administrative function of the State Tax Commission.

The State Tax Commission and its functions are constitutional. All of the four members, serving an appointed term of 4 years each, are appointed by the Governor and approved by the State Senate. Two members are appointed each biennium, one from each major political party.

Answer 6

The Local Valuation Division of the State Tax Commission conducts the sales ratio study. This is a continuing process and generally the results are published annually. All real property assessed by the local county assessors are included in the ratio study. The study is distributed to county officials, financial institutions, taxpayers groups, schools, and so forth.

Answer 7

The annual budget of the property tax divisions charged with supervision of property tax assessment is as follows:

State assessed property	$86, 703
Locally assessed property	1, 003, 500
Total (1972 figures)	1, 090, 203

The total staff for the appraisal of State assessed property is eight. The present total for local valuations work is 106. We have about 10 appraisers now being commercial and industrial appraising.

Answer 8

There have been no changes in the assessment districts in our State during the last 10 years. All local valuations are made on a county level as indicated above.

Answer 9

The State imposes an ad valorem tax only on the following kinds of personal property:

Motor vehicles.

Livestock (except those animals held for slaughter, which are considered inventory).

Farm equipment and machinery.

Beginning in the taxable year 1973, all ad valorem taxes on inventory have expired. In the matter of livestock, dairy cattle and breeding stock are not exempt since they are considered as capital assets. The 1969 Inventory Repeal Act provided for a 3-year inventory phaseout period, which period expires in this calendar year.

The inventory tax repeal was prompted by economic rather than administrative problems. It was felt that repealing the inventory tax would attract more business and industry to the State. Further, it was felt necessary to relieve the problem of diminished inventories during the latter part of a taxable year and immediate period thereafter. Most companies involved with inventories manipulated them excessively to avoid the yearly tax.

Answer 10

The State of Utah has one special classification setting a different level of assessment on farm property. In 1969, following a constitutional amendment approving this special classification, there was enacted a statute providing that farm ground could be assessed on the basis of its productive value rather than its market value. There is attached hereto a booklet containing the statute involved, together with questions and answers pertaining thereto. There have been no amendments to the original act. However, there are pending several amendments seeking to simplify and clarify the statute. These will likely be considered by the coming session of the State Legislature. (59-5-88ff.)

Answer 11

Utah exempts properties used exclusively for religious and/or charitable purposes. This is a constitutional provision. Commercial enterprises owned by churches and other organizations which produce a profit are taxable. The State has never published any regular assessment list of the value of tax exempt property. Under the present reappraisal program, the State is now listing all exempt properties but is not appraising them.

Answer 12

The Greenbelt law, as partially considered in No. 10 above, provides for a rollback tax, up to a period of 5 years, whenever the farmland changes use. The rollback tax is registered as a lien against the property as long as it remains as farm property. There are no provisions prohibiting the changing of land classification. Zoning in and of itself has no effect on the status of the farm property. When a parcel of farm property, under Greenbelt, changes use, the rollback lien is computed to be the difference between what taxes have been paid and what they would have paid had they not been under Greenbelt. This, as explained, can only be carried to a maximum of 5 years.

Answer 13

In answer to this question, we attach hereto copy of the constitutional provisions governing the system of property taxation in our State. (Article XIII, section 2.)

There are two specific kinds of tax relief allowed under our statutes:

(1) Veterans or their surviving dependents may be allowed an exemption up to a maximum of $3,000 in assessed value, depending upon the extent of their disability as classified by the Government. Similar exemptions are allowed to the blind. In 1971 there were 10,094 such exemptions, with an average exemption of $1,662.52. The total State assessed value exempted was $16,781,445.

(2) Under our Indigent Abatement Act, persons 65 years and over having an income of $2,500, or $3,000 for a married couple, and having a home valued at not more than $12,500 (market) may receive an abatement of up to $50 or one-half of their total property tax, whichever is less. In 1971 the number of indigents receiving abatement in the State was 4,080. The average abatement amount was $42.91, and the total property tax abated amounted to $175,074. (It is expected that this act will be greatly liberalized during the coming session of the legislature.)

Answer 14

We enclose herewith copy of Article XIII of our State constitution which will explain the provisions referring to our system of property taxation.

VERMONT

Answer 1

Total property tax revenues for fiscal year 1972 were $116,710,157. They represented 43.9 percent of all State and local tax revenue.

Answer 2

Local listers or assessors are elected and there are presently no requirements for meeting any professional standards.

Answer 3

Neither State nor local jurisdictions currently provide any salary incentives for assessors who complete special educational courses.

Answer 4

The first level of appeal is to the local assessors or board of listers, as they are referred to in Vermont. The second step is also to a local jurisdiction known as the board of civil authority, which is composed of the selectmen of the town, the elected justices and the town clerk. All of these persons are locally elected officials of the town. Their authority derives from the holding of their respective offices.

Answer 5

Members of the State Tax Appeals Board, three in number, are appointed by the Commissioner of Taxes for a period of 1 year. Two boards conduct appeals onsite throughout the entire State. Such boards have no responsibility for assessing intercounty property, nor do they have any authority with respect to the supervision of local assessment standards or administration.

Answer 6

The Property Tax Division of the Department of Taxes is responsible for the biennial equalization of all grand lists in the State. This is accomplished through sales ratio studies, where sufficient sales have occurred, and through the appraisal of randomly selected sample properties. Since the resulting equalized fair market values are an input of the State Aid-to-Education formula, officers of each town and school district are provided with the results. Additionally, they are published in the "Biennial Report of the Commissioner of Taxes," copies of which are provided each member of the General Assembly and other requesting agencies. All categories of real property are subject to the study with the exception of "Government Land," the assessed or listed value of which is fixed by statute. A category is sampled when its total assessed value exceeds 10 percent of the total assessed value of all categories in the town. The list of categories is as follows: (1) residential, (2) vacation, (3) commercial, (4) industrial, (5) farm, (6) timberland, and (7) miscellaneous (vacant land only). Additionally, mobile homes with land and mobile homes without land may be surveyed.

Answer 7

The annual budget of the property tax division for fiscal year 1973 is $450,093. It employs three supervisors or review appraisers, 21 property assessment advisers, and three industrial appraisers, for a total of 27 professional staff employees. One of the property assessment advisers specializes in the appraisal of utilities.

Answer 8

Assessment jurisdiction has long been retained at the local, town level. There is presently considerable pressure to convert to some type of county or artificial district system of assessing.

Answer 9

Until 1963, only $3,000 of household furniture and equipment was exempted. At that time that limitation was eliminated and all household furniture and equipment became exempt provided it was "not regularly used as income producing property." The change was made because of the impracticability of administering the law as previously written. Until 1972, all or a certain percentage of the value of livestock could be exempted only by local option. Effective with the 1972 tax year, livestock became statutorily exempt as a means of relieving the farmer's tax burden. Standing timber which has been sold and conveyed without the land on which it stands, is taxable to the owner thereof, although little use is made of that provision in the law today.

Answer 10

Vermont law provides that all property shall be appraised at fair market value and listed (assessed) at 50 percent of that value. The only exception to that involves State-owned land, the fair market value of which is fixed by statute at not more than $8 per acre.

Answer 11

For all statutes concerning the exemption of real property from ad valorem taxation, please refer to enclosure 1. No attempt has been made at either State or local level to determine the fair market value of statutorily exempt property. (Ch. 125, secs. 3802–3, 3831–3844.)

Answer 12

Current law does not provide for the taxation of any land at its use value and there are no so-called Greenbelt laws or other restrictive agreements. There is a statutory provision which permits a municipal corporation, by vote of two-thirds of those present and voting at any annual or special town meeting, to authorize its legislative body to enter into tax stabilization contracts with farmers and certain other owners. (Ch. 61, sec. 2741.) In 1969 a law was passed which authorizes any owner of real property to sell or donate any right or interest therein to a municipality or agency of the State. (Ch. 155, secs. 6301–6308.) Where the conveyance of such rights or interests is less than fee simple, the agreement must be for a specified number of years. The owner of the remaining rights or interests not conveyed shall then be taxed only on the value of the remaining rights or interests to which he retains title. The rights and interests acquired by the State shall then be considered as all other State-owned lands with respect to taxation and State reimbursement in lieu of taxes. As of this writing, this statute has never been utilized.

Answer 13

State law provides that a person 65 years of age, or older, who meets certain requirements with respect to his domicile, shall be entitled to a credit against his Vermont income tax liability which is equal to the amount by which his property taxes, or his rent constituting property taxes, upon his homestead for the taxable year exceeds 7 percent of his total household income for that taxable year, multiplied by a local rate factor. (Ch. 151, secs. 5961–5967.) In fiscal year 1972, a total of $816,000 in tax credits was allowed or paid to 6,761 claimants.

Answer 14

The only reference to taxation contained in the constitution of the State of Vermont is found in chapter 1, article 9, a verbatim transcript of which follows:

> Article 9. That every member of society hath a right to be protected in the enjoyment of life, liberty and property, and therefore, is bound to contribute his proportion towards the expense of that protection, and yield his personal service, when necessary, or an equivalent thereto, but no part of any person's property can be justly taken from him, or applied to public uses, without his own consent, or that of the representative body of the freemen, nor can any man who is conscientiously scrupulous of bearing arms, be justly compelled thereto, if he will pay such equivalent; nor are the people bound by any law but such as they have in like manner assented to, for their common good: and previous to any law being made to raise a tax, the purpose for which it is to be raised ought to appear evident to the legislature to be of more service to community than the money would be if not collected.

VIRGINIA

Answer 1

The latest data on property tax revenues are from "Governmental Finances" in 1970–71, U.S. Department of Commerce publication GF 71 No. 5:

All State and local tax revenues	$1, 755, 000, 000
Local property tax revenue (28.5 percent of total)	500, 900, 000
State and local property tax revenue (29.4 percent of total)	515, 200, 000

Answer 2

(a) For the statutory 4 and 6 year assessments, real estate assessors are selected from among the citizens of the county, or city, by the judge of the court of record to serve in such a capacity. For those localities undertaking annual assessments, the real estate assessors are appointed by and serve at the pleasure of the local governing body.

(b) Local property tax assessors are not required to meet any professional qualifications.

Answer 3

One city and two counties provide salary incentives to appraisers, who complete special training. The State does not make a financial contribution.

Answer 4

Members of boards of equalization of real estate assessments in all localities are primarily appointed by the judge of the court where deeds are admitted to record. Some appointments are, however, made by the governing body. None are elected. None of the appointees hold other local governmental positions.

Answer 5

(a) Virginia does not assist on the State level with the equalization function. The department of taxation upon the request of the locality is required to render assistance to the local board of equalization on the local level. Calendar year in counties—first 6 months in cities.

(b) Virginia's constitution provides for the assessment of public service corporations (e.g., railroads or utility companies with public service charters) by a central State agency. Assessed values are fixed by the State corporation commission and annually certified to the local governmental units. Taxes on such assessed values are extended locally.

(c) There is no direct supervision over local assessment standards and administration.

Answer 6

(a) Department of taxation.
(b) Biennially.
(c) Biennially, distributed throughout the State.
(d) Real estate only.

Answer 7

There is no State agency charged with this responsibility. The constitution of Virginia segregated real and tangible personal property for exclusively local taxation.

Virginia does, however, make the aid and assistance of the Virginia department of taxation available to any county or city on a voluntary basis. The State maintains a "corps" of about 40 trained real estate appraisers to assist counties and cities with general reassessments, minerals, machinery and tools in the mining and manufacturing businesses and any difficult assessment problem.

Answer 8

During the past 10 years there has been the consolidation of three counties with three cities into three rather than six separate taxing districts. Several incorporated towns that were formerly within county boundaries have become cities and, as such, separate taxing districts. Other than these there has been little change, and today there are about the same number of taxing districts as there were 10 years ago.

Answer 9

Tangible personal property has been segregated for exclusively local taxation. Any local governmental unit may exempt from taxation household goods and personal effects. Intangible personal property (stocks, bonds, money, etc.) is *not* subject to local taxation. Moreover, there is no State tax on intangible personal property except to the extent that it is a part of the capital of certain businesses.

Answer 10

No.

Answer 11

(a) See attachment A. (Article X, sec. 6, State constitution)

(b) State statutes do *not* require such a listing. No local official is charged by law with the responsibility to fix the value of tax-exempt real estate. Recent statutes authorize the governing body of any county, city, or town to levy a service charge on tax-exempt real estate. This would presumably authorize the local assessing officer to make a listing for such as required to be shown on the land book. Service charge charges extend to all tax-exempt real estate exclusive of churches and the residences of ministers and may not exceed 40 percent of the real estate rate.

(c) Land books for locality only.

Answer 12

See attachments B and C (subsection 6). (Ch. 461, laws of 1966; title 58, Ch. 15, 769.4–769.16, code of Virginia).

Answer 13

Virginia's new constitution adopted July 1, 1971, provided the general assembly with the authority to grant tax relief for Virginia's elderly citizens who were deemed to carry a tax burden disproportionate to their income and net worth. Statutes have been adopted granting the governing body of any county, city, town, or regional government with the authority to provide for deferral or exemption from real estate taxes on the sole dwelling owned and occupied by persons 65 years of age or older whose income is less than $7,500 per annum and whose net worth does not exceed $20,000. Implementation is by local option and ordinances within statutory limits are up to the locality. No effort is made by the State to replace the revenues lost through this plan. To date 20 counties and cities have adopted such a plan (1 deferral and 19 exemptions).

Answer 14

See attachment A. (Art. X.)

WASHINGTON

Answer 1

Excluding in lieu excise taxes on automobiles and trailers, total State and local property tax collections for the year ending June 30, 1972, amounted to approximately $625 million, or 35 percent of all State and local tax revenue.

Answer 2

The local county assessors are elected and are not required to meet any professional qualifications. Their staff members, however, who appraise real property for tax purposes must be certified by the State.

Answer 3

There are no salary incentives for assessors who complete special training courses and the State makes no financial contribution to that as such. The State department of revenue, in conjunction with the Washington State Assessors' Association, conducts training sessions for the assessors and their personnel, but no payments are involved.

Answer 4

The local officials who judge initial appeals from property tax assessments are the county boards of equalization appointed by the board of county commissioners; or, the commissioners themselves act as the board of equalization. Their only involvement is in the equalization of assessments and hearing appeals from property taxpayers.

Answer 5

The State board of tax appeals is a three-member panel appointed by the Governor to staggered 6-year terms. The board hears appeals by either taxpayers or county assessors from decisions handed down by the county boards of equalization. The responsibility of assessing inter-county utilities, such as railroads, utility companies, et cetera, rests with the department of revenue. This department also supervises the local assessment practices and procedures.

Answer 6

The department of revenue conducts annual assessment ratio studies. These studies not only include the sales of real property but also, through an appraisal staff, actual real property appraisals are made and compared with the assessed values. The department also carries on a personal property assessment ratio study to determine the level of assessment of personal property in each county in the State. These studies are made annually and cover all properties within the State from residential through industrial, including the personal property.

Answer 7

The budget for the property tax division of the Department of Revenue for the fiscal year ending June 30, 1973, is $943,000. The division has 54 employees, 4 of them being industrial appraisers.

Answer 8

The size of the assessment districts in the State has remained constant in the past 10 years.

Answer 9

The State imposes a 2 percent excise tax on the value of motor vehicles. Household goods and furnishings, antiques, works of art, jewelry and furs are taxed only when they are used in commercial business or held for sale. Intangibles are exempt and livestock, farm equipment and machinery are all subject to the ad valorem tax. The exempt classes of property received their exemption in the late 1800's or early 1900's. An excise tax on timber is now being phased in and when completed, standing timber will be exempt from the ad valorem tax and subject only to the yield tax.

Answer 10

The constitution of the State of Washington permits classification of property. All real estate, however, must be within the same class. Furthermore, all assessment must be at 50 percent of true and fair value. The only example of lower tax rates, except for actual exemptions, is a partial levy reduction for commercial and pleasure boats.

Answer 11

Basically the real property that is exempted from the ad valorem tax is publicly owned property, schools, colleges, churches, certain cemeteries, certain nonsectarian character building or veteran and relief organizations, free public libraries, orphanages, institutions, nonprofit nursing homes and hospitals. The State does not regularly publish tax exemption studies. Occasionally, however, such a study is made which includes the values of tax-exempt property.

Answer 12

The State of Washington has what is referred to as an "Open Space Law," or current use assessment law. This provides for the assessment of agricultural, timber, or open space land on its current use basis rather than its highest and best use. In order for land to go into a current use assessment basis, the landowner must sign a contract with the county or city in which it is located for a minimum of 10 years. If the use is changed, there is a rollback to pick up the difference in back taxes, plus interest and penalties.

Answer 13

The State of Washington has property tax relief for the elderly and disabled with low income. This is in the form of an exemption on the excess levies, based upon the amount of income. If the family income is $4,000 per year or less, the exemption is 100 percent of the excess levy. If that excess levy is less than $50, then the exemption shall amount to $50. If the income is over $4,000 but less than $6,000, then the exemption amounts to 50 percent of the excess levies. During 1972—71,195 retired and disabled Washington taxpayers received this relief, which amounted to $6,230,000. This applied only to taxes on their homes and was in the form of a reduction of their taxes, not money actually distributed.

Answer 14

The State constitution requires that all taxes be uniform upon the same class of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only. The constitution further states that all real property shall constitute one class. The legislature, however, may tax mines and mineral resources or timber by a yield tax, an ad valorem tax, or by both. The legislature may, by general laws, provide exemption of certain property. The State constitution also limits property tax to 1 percent of the property's true and fair value, except when the voters authorize excess levies. These excess levies are for 1 year only and must be approved by 60 percent of the people voting. Bond levies may also be approved by the voters to pay for improvements, the bonds being repaid over a specified period of years.

WEST VIRGINIA

Answer 1

The total property tax revenues collected in West Virginia during the fiscal year ending June 30, 1972, were approximately $145 million. These property tax collections represent approximately 12 percent of the total State and local revenue collected for that same period.

Answer 2

Local property tax assessors, one for each county, are elected to 4-year terms. They are eligible to succeed themselves and by statute are only required to attend schools and training sessions held by the State tax commissioner.

Answer 3

West Virginia does not currently provide salary incentives for assessors who complete special training courses. Assessor's salaries are determined by the total assessed value in each county; there are seven salary classes. The State assumes the financial burden for all training provided to assessors.

Answer 4

The local officials who judge initial appeals from property tax assessments in West Virginia are the three commissioners of the county court in each county. These commissioners are elected. County commissioners have an interest in maintaining high assessments because they are also the body that administers county government, and they are vitally interested in the property tax which is their sole source of revenue.

Answer 5

In West Virginia, a county assessor's assessments are not reviewd by a State level review agency. Rather, the State tax department performs appraisals on all real property as well as industrial and commercial personal property. These values are certified to the several counties, and the assessor uses these values as a basis for his assessments. An appeal from the county court's review would go to the courts of general jurisdiction—the circuit court and the supreme court of appeals.

The State tax departments prepares tentative assessed values for all public utility property in West Virginia. This assessment is reviewed and finalized by the Board of Public Works, a body composed of the several elected executive officers in West Virginia (that is, the Governor, secretary of state, attorney general, State teasurer, State auditor, State agriculture commissioner (and the superintendent of free schools, who is not elected).

The State tax department has some statutory authority to supervise local assessment standards and practices.

Answer 6

Sales ratio studies began statewide in West Virginia last year. Every county assessor is required to submit sales data to the State tax department. The department makes the appropriate calculations. Whole transfers of real property are the subject of these studies.

Answer 7

The annual budget of the operating section in the State tax department charged with supervision of property tax assessments is approximately $1,207,000. At this time, the section has approximately 100 employees, including eight industrial appraisers.

Answer 8

West Virginia has 55 counties, and each county has one assessor. This situation has existed for many, many years.

Answer 9

West Virginia imposes ad valorem taxes on the following types of personal property:

> Motor vehicles, intangibles, livestock, farm equipment and machinery, and standing timber.

Household goods and personal effects were exempted from property tax by a constitutional amendment which was ratified November 7, 1972.

Answer 10

West Virginia has a classified property tax system. The Tax Limitation Amendment of 1934, divided property into four separate classes and imposed maximum levy rates for each class in a ratio from class I to class IV of 1:2:3:4. That is, to say, maximum levy rate for class I is 50¢ per $100 of value; class II is $1 per $100 of value: class III is $1.50 per $100 of value; and class IV is $2 per $100 of value. Class I property is the products of agriculture and all intangible personal property. (Money, bank deposits, and corporate stocks are not considered to be taxable property.) Class II property is all farms and all property occupied by the owner exclusively for residential purposes. Class III is all of the property exclusive of class I and II property located outside any municipality, and class IV property is all property exclusive of class I and II property located within a municipality. The ceiling levy rates have not been changed since 1934.

Answer 11

West Virginia exempts the following types of real property from ad valorem taxation:

(1) Government-owned property when used for public purposes.

(2) Property used for educational, literary, scientific, religious or charitable purposes and not leased or held up for profit. (The use of the property is controlling; use must be primarily and immediately for the exemptable purpose not secondary or remote. Pledging income from property for an exemptable purpose does not render the property exempt.)

(3) All cemeteries.

The State does not regularly make and publish any assessment of the value of such tax exempt property.

Answer 12

West Virginia does not have statutory provisions such as greenbelt laws, restrictive agreements, countywide zoning, and so forth which restrict the change in use of land. However, as was stated in No. 10, farmland and property occupied by the owner exclusively for residential purposes is taxed at one-half the rate of all other uses of real estate. Therefore, when a farm is bought for industrial purposes, for example, the tax rate applied to the assessed value doubles.

Answer 13

West Virginia adopted a circuit breaker form of property tax relief for citizens over 65 years of age who have a gross household income of $5,000 or less. The first claim filing period is July 1 through September 30, 1973; therefore, no benefits have yet been paid under this measure.

Answer 14

There are two sections of the West Virginia constitution which specifically provide for a system of property taxation:

(a) Article 10, section 1 of the constitution, so much as pertains to property taxes, reads as follows:

> Subject to the exceptions in this section contained, taxation shall be equal and uniform throughout the State, and all property, both real and personal, shall be taxed in proportion to its value to be ascertained as directed by law. No one species of property from which a tax may be collected shall be taxed higher than any other species of property of equal value; except that the aggregate of taxes assessed in any one year upon personal property employed exclusively in agriculture, including horticulture and grazing, products of agriculture as above defined, including livestock, while owned by the producer, and * * * notes, bonds, bills, and accounts receivable, stocks, and other similar and intangible personal property shall not exceed 50¢ on each $100 of value thereon and upon all property owned, used and occupied by the owner thereof exclusively for residential purposes and upon farms occupied and cultivated by their owners or bona-fide tenants $1; and all other property situated outside of municipalities, $1.50; and upon all other such property situated within municipalities, $2; and the legislature shall further provide by the general law for increasing the maximum rates authorized to be fixed by different levying bodies upon all classess of property by submitting the question to the voters of the taxing units affected, but no increase shall be effective unless at least 60 percent of the qualified voters shall favor such increase and such increase shall not continue for a longer period other than three years at any one time, and shall never exceed by more than 50 percent the maximum rate herein provided and prescribed by law; and the revenue derived from this source shall be apportioned by the legislature by the levying units of the State in proportion to the levy laid in such units upon the real and other personal property, but property used for educational, literary, scientific, religious or charitable purposes, all cemeteries, public property, the personal property, including livestock, employed exclusively in agriculture as above defined and all products of agriculture as so defined while owned by the producers may by law be exempted from taxation * * *

(b) Article 13, section 6 of the West Virginia constitution dealing with property taxes and forfeiture of property reads as follows:

> It shall be the duty of every owner of land, or of an undivided interest therein, to have such land, or such undivided interest therein, entered on the land books of the county in

which it, or a part of it, is situated, and to cause himself to be charged with taxes legally levied thereon and pay the same

* * *

WISCONSIN

Answer 1

Gross property taxes levied by all units of government, payable in 1972 amounted to $1,301,043,500; however, because the State paid a portion of these taxes for the property owners the net amount paid by the property owners was $1,126,923,600. The net amount paid ($1,126,923,600) represented 41.28 percent of all State and local tax revenue in fiscal 1972.

Answer 2

The State law provides that unless each town, village, or city makes special provision for the selection of the assessor, he shall be elected. As a result there is a mixture of appointed and elected assessors. The following tabulation shows the result of a 1972 questionnaire to assessors regarding selection:

Type office held—How selected

Category	Number of assessors in group				Percent to State total			
	All	City	Vil	Town	All	City	Vil	Town[1]
Full time elected	9	8	1	0	1	4	1	
Full time appointed	39	34	2	3	2	17	1	
Part time elected	1,226	26	203	997	65	13	51	
Part time appointed	416	93	121	202	22	45	30	
Nonresident assessor	81	29	34	18	4	14	8	
Vacancies as of June 1972	6	1	4	1	1	1	1	
No Response	95	12	34	49	5	6	8	
State total	1,872	203	399	1,270	100	100	100	

Note: State law does not require assessors to have any technical or professional qualifications. Those municipalities who have chosen to appoint assessors impose their own professional requirements via civil service examinations or other such procedures.

[1] Copy illegible.

Answer 3

The State does not contribute specific amounts to assessor's salaries in any case. The State department of revenue does contribute (in kind) to statewide assessor training effort by supplying the services of its staff to such training programs with respect to training materials and instructors.

Answer 4

In towns the members of the board of review shall be the town supervisor and town clerk; in cities of the first class (Milwaukee) the members of the board of review shall by ordinance consist of five residents of the city none of whom shall occupy any public office or be publicly employed. All cities other than Milwaukee and all villages have the option of appointing (1) a citizens board of review as described above for cities of the first class, or (2) the mayor, the clerk, and such other officers other than assessor, as the common council of each city determines or the president, the clerk and such other officers other than the assessor as the board of trustees of each village determines.

Answer 5

The State tax appeals commission has limited review powers with respect to property valuation. It reviews the values adopted by a county board used for apportioning the county property tax levy among its constituent municipalities. The commission does not review appeals of individual property owners or the equalized values determined by the State for the apportionment of school levies. The commission consists of three members appointed by the Governor and approved by the senate for staggered 6-year terms. Almost all other State administrative supervisory or review duties with respect to the property tax are vested in the department of revenue. The secretary of the department of revenue serves at the Governor's pleasure. The bureau of property and utility tax within the department of revenue determines the equalized taxable property values of general property as well as the primary values of intercounty property of common carrier except motor transport, heat, light, and power companies and natural gas companies.

Answer 6

The bureau of property and utility tax conducts assessment-sales ratio studies annually for equalization purposes. Until recently these studies were conducted manually by each of six district field offices with the primary output being the weighted mean ratios of assessed to sale value for each town, village, or city by residential, mercantile, manufacturing and agricultural class of properties. The ratio studies are now centrally generated by an EDP program and provides additional stratification with respect to vacant and improved land and additional outputs relating to the measurement of assessment uniformity. The ratio studies are not published as such and are distributed to the local assessor as well as each of the six district offices of the bureau of property and utility tax.

Answer 7

The supervision of property tax assessments is in the process of being placed in a special unit within the bureau of property and utility tax and it is contemplated that it will be staffed by five professional employees. Under the prior budget arrangement $1,026,100 was allocated to the equalization subprogram and it is estimated that 10 to 15 percent of the staff effort was directed exclusively to supervision. The equalization staff consists of 31 professional field appraisers and 6 of them were considered industrial appraiser specialists.

Answer 8

Since 1969 an optional county assessor system has been available to Wisconsin counties by a two-thirds majority vote. Only recently one county (Kenosha) has taken steps to opt for this system thus substituting one county jurisdiction for 12 local assessing jurisdictions for assessment in 1973 and thereafter. Statewide, the number of assessment jurisdictions will thereby be reduced from 1,840 to 1,829.

Answer 9

(a):

Motor vehicles—No.
Household goods and furnishings—No.
Antiques and works of art—No.
Jewelry and furs—No.
Intangibles (stocks, bonds, saving accounts, etc.)—No.
Livestock—Yes.
Farm equipment and machinery—No.
Standing timber—Yes.

(b) The above exemptions as indicated by a "No" have been in existence for a period longer than 10 years.

Answer 10

Yes, but only partially. The Wisconsin constitution requires uniform property taxation but does provide for exceptions with respect to mineral and forest real property and certain personal property. (Article III of Constitution.) The legislature has implemented the options provided by the constitution as follows:

Forest crop land: Section 77.01 to 77.14 Wisconsin Statutes.—Where the private owner of eligible forest land has entered into a 50- or 25-year contract with the States department of natural resources the owner is exempt from the general property tax but pays an acreage tax of 10 or 15 cents per acre to the local taxing jurisdiction. The State matches this payment and also remits to the local treasury. Withdrawal before the contract period ends triggers a rollback tax for each year that general property taxes were not paid.

Mineral property: Section 70.91 to 70.98 Wisconsin Statutes.—This law applies only to low-grade iron ore properties (taconite). Eligible property is exempt from the general property tax and pays an amount based upon a formula which includes a published price of old range non-Bessemer iron ore containing 51½ percent of natural iron and the average number of tons of merchantable concentrate produced annually from such unit of property during the preceding 5-year period.

Personal property: 79.12 Wisconsin Statutes.—Merchants stock in trade: manufacturer's materials and finished products: and line stock receive a 65 percent state credit. The gross general property tax is levied by the local units but a credit equal to 65 percent of the gross tax is paid by the State to the local units of government on behalf of the owners of such property. Though the assessment and levying procedure at the local level is the same as for all other general property, a constitutional amendment was necessary because the owners of such property actually pay less tax than owners of personal property who do not qualify for this State credit.

Answer 11

The general titles of real property exemptions are as follows: (From 1969 Statutes)

1. Property of the State
2. Municipal property
3. Colleges and Universities
3a. Building at Grand Army Home
4. Educational, Religious and Benevolent Institutions, Women's Clubs, Historical Societies, Fraternities, Libraries
4m. Nonprofit Hospitals
5. Agricultural Fairs
6. Fire Companies
7. Land of military organizations
8. Partial exemptions (special cases)
9. War veteran memorials and halls
10. YMCA and YWCA
10m. Lion Foundation Camps for Visually Handicapped Children
11. Bible Camps
12. Scouts and Boys Clubs of America
13. Cemeteries
14. Art Galleries
15. Community Centers (repealed in 1971)
16. Labor Temples
17. Farmers Temples
18. Property of Housing Authorities
19. Institutions for Dependent Children
20. Property held in trust in public interest (works of ancient man, etc.)
21. Treatment Plant and Pollution Abatement Equipment
22. Camps for the Handicapped (Wisconsin Easter Seal Society)
23. Nuclear attack shelters
24. Property in Conservation Area (Urban Renewal)
25. Nonprofit Medical Research Foundations
26. Property of Industrial Development Agencies while still in in the hands of a county

The 1971 Legislature created chapter 215 which requires that each person who claims a real property tax exemption to file with the assessor a report prescribed by the Secretary of Revenue. A copy of the form prescribed is attached. The Department of Revenue is presently engaged in tabulating the information on the reports as filed to date.

Answer 12

Wisconsin does not now have such laws. However, interest and discussion of such proposals continue to mount. Constitutional amendments and implementing legislation were introduced in the 1971 Session of the Legislature, but failed to become law. Very likely the effort will be continued in the forthcoming 1973 session, perhaps successfully.

Answer 13

Wisconsin utilizes three methods of direct property tax relief: First, we have a program of general, or real, property tax relief. Under this measure, all real property taxpayers in high-tax localities—defined for 1972 as having a tax rate in excess of 14 mills equalized—but for 1973 rising to 17 mills—receives a State tax credit on their property tax bill. The amount varies by locality with higher credits in higher tax-rate areas. In Fiscal 1972, $65,070,999 [1] was dispensed via this program. Since the money is disbursed to local units of government, who subsequently themselves apply the credit to individuals' bills, no State wide count of property taxpayers receiving this relief is kept.

Secondly, the personal property tax on farmers' livestock merchants' stock and manufacturers' inventories is partially relieved by the State. In 1972 the State offset 60 percent of that tax; for 1973 the State will pick up 65 percent. This relief amounted to $85,622,027 in 1972. Again, no State wide count is available since local governments handle the actual distribution.

Thirdly, the Homestead Property Tax Relief program provides an income tax credit for aged, low income homeowners or renters. To be eligible, a taxpayer must be 62 years of age or over (or, if fully disabled, 60 or over) and have "household income" totals, for all members of the household, taxable income plus social security, other retirement benefits and interest). Their property taxes paid (or 25 percent or rent paid), up to a maximum of $500, is applied against a formula which provides a generally diminishing credit as income rises. If the credit exceeds income taxes due, then a refund is issued.

(NOTE: The above are the 1973 qualifications. In 1972, the age minimum was 65, the income ceiling was $3,700, and the maximum property tax relievable was $330.) In fiscal 1972, $10,025,753 was credited to approximately 79,000 taxpayers. (No estimate is available as to how many persons were covered.) In addition to these direct relief programs, Wisconsin also shares established percentages of various State-collected taxes with its municipalities and counties. In fiscal 1972, this amounted to $255,085,128. Some of this amount is, in turn, added to the above-mentioned general relief credit on the taxpayer's bill.

Answer 14

The Wisconsin Constitution does not make specific reference to the system of property taxation except that noted in article VIII, section 1, copy attached to reply to Question #10.

WYOMING

Answer 1

(a) Total property tax revenue, fiscal 1972, $83,818,370.

(b) Income to State General Fund, including all taxes and fees, $47,349,191. Property taxes equal 64 percent of total.

Answer 2

(a) Elected.

(b) No.

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[1] Does not include amount from municipal and county shared tax account.

Answer 3

(a) No.
(b) Conduct schools only, no direct payments.

Answer 4

(a) Elected.
(b) Yes: County Commissioners.
(c) None.

Answer 5

(a) Appointed by Governor, confirmed by State Senate.
(b) 6 years.
(c) Yes; i.e. all mineral production, including oil, natural gas, railroads, pipelines, telephone and telegraph, and all other public utilities. 1972 assessment was 54 percent of the State total.
(d) Yes.

Answer 6

Ad Valorem Tax Department. A parcel study was made in 1972, which is the first effort for several years. We plan to have a continuous study in years ahead.

Answer 7

(a) 1971–73 budget, $404,104.
(b) Eleven.
(c) Five.

Answer 8

(a) Yes.
(b) County boundaries have remained the same, however, due to unification of school districts, the number of school districts have substantially decreased.

Answer 9

(a) Motor vehicles. County registration fee in lieu of ad valorem taxes.
(b) Household goods and furnishings: yes.
(c) Antiques and art work. Not specifically.
(d) Jewelry and furs. Not specifically.
(e) Intangibles. With the exception of bank stock: no.
(f) Livestock: yes.
(g) Farm equipment: yes.
(h) Standing timber: no. Only with the land.

Answer 10

All mineral production assessed at 100 percent of fair value. All other property at a lesser rate.

Answer 11

(a) Yes.
(b) Cities, Federal, State, airports, public libraries, churches, lots and buildings used exclusively for religious purposes, school districts except teacherages, county, fraternal and charitable properties.
(c) No.

Answer 12

No.

Answer 13

Veteran exemption. $645,314 in 1972. Number not available.

Answer 14

Article 15, State Constitution:
- Section 1, Assessment of land and improvements.
- Section 2, Assessment of coal lands.
- Section 3, Mines and mining claims.
- Section 4, State levy limit.
- Section 5, County levies.
- Section 6, City levies.
- Section 9, State Board of Equalization.
- Section 11, Uniformity of assessment.
- Section 12, Exemptions.
- Section 13, Tax must be authorized by law.
- Section 14, Surrender of taxing powers prohibited
- Section 15, State tax for support of public schools.

SUPPLEMENT

The response to the Intergovernmental Relations Subcommittee survey from the State of Connecticut was received after compilation of the report on the Status of Property Tax Administration in the States. A brief summary of the responses from Connecticut, by individual question, follows:

(1) Total property tax revenues amounted to $850,664,000 in FY 1971 and constituted approximately 50% of all State and local tax revenues.

(2) Local property tax assessors are elected unless the individual town votes to have them appointed. There are no professional qualifications required.

(3) The State does not provide salary incentives for assessors receiving special training, nor does the State make any financial contribution to such training.

(4) Members of the local boards of tax review are elected and do not derive their authority from holding other office.

(5) There is no State-level tax assessment review agency.

(6) Assessment-sales ratio studies are not conducted by any State-level agency. Such studies are the responsibility of the individual towns.

(7) There is no State agency charged with the supervision of property tax assessments.

(8) There have been no major changes in the size of assessment districts in Connecticut in the last ten years.

(9) The State does impose an ad valorem tax on Motor Vehicles, Antiques and Works of Art, Furs and Standing Timber, of those types of personal property listed in Question 9. In 1963, provision was made for preferential assessment of standing timber as a means of preserving open space.

(10) The State does not have a classification system.

(11) The State exempts a number of different types of real property from taxation, generally the standard exemptions outlined in the analysis of Question 11 (see Section 90-752 of state code). The State Tax Department publishes a quadrennial statement of real estate exempted from taxation.

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(11) The State exempts a number of different types of real property from taxation, generally the standard exemptions outlined in the analysis of Question 11 (see Section 90-752 of state code). The State Tax Department publishes a quadrennial statement of real estate exempted from taxation.

(12) State law includes provision for preferential tax treatment of certain lands classified as "open space" land. In addition, State law (Section 20-140) provides that an additional conveyance tax be imposed on such land (Farm, Forest, or Open Space) which is sold within 10 years of the initial acquisition or classification.

(13) Individual towns provide a property tax reduction for homeowners aged 65 and over, and are reimbursed by the State.

(14) The Connecticut Constitution makes no reference to a system of property taxation.

In his recent budget message, the Governor of Connecticut urged the adoption of recommendations of the State Commission on Tax Reform, including: the creation of a State Board of Assessment Supervision with responsibility for all property assessment functions statewide; establishment of a system of certification for local assessors; establishment of a system of assessment-sales ratio studies; and preparation of an assessment of tax-exempt property statewide.

SURVEY QUESTIONNAIRE

Question 1

What were the total property tax revenues in your State in fiscal 1972? What proportion were property tax revenues of all State and local tax revenue in that year?

Question 2

Are local property tax assessors in your State elected or appointed? Are they required to meet any professional qualifications?

Question 3

Does your State, or do local jurisdictions in it provide salary incentives for assessors who complete special training courses? Does the State make any financial contribution to such training? If so, how much was the most recent payment?

Question 4

Are the local officials who judge initial appeals from property tax assessments elected or appointed? Do they derive their authority to hear such appeals from the fact of holding other office? If so, what is the office (e.g., county commissioner), and what is their other involvement in assessment administration?

Question 5

How and by whom are the members of the State-level tax assessment review agency chosen? What is their term of office? Does their agency have responsibility for assessing intercounty property, and, if so, what property (e.g., utility, railroad, etc.)? Do they also supervise local assessment standards and administration?

Question 6

What agency or agencies in your State conducts sales-assessment ratio studies? How often are they conducted? How often are they published and to whom are they distributed? What kinds of property are included in the ratio studies?

Question 7

What is the annual budget of your State agency charged with supervision of property tax assessments and how many professional staff employees does it have? How many industrial appraisers does the agency employ?

Question 8

Have there been any changes in the size of assessment districts in your State in the last 10 years? If so, please give details.

Question 9

Does your state impose an ad valorem tax on any of the following kinds of personal property, other than business property:

Motor vehicles.
Household goods and furnishings.
Antiques and works of art.
Jewelry and furs.
Intangibles (stocks, bonds, savings accounts, et cetera).
Livestock.
Farm equipment and machinery.
Standing timber.

If any of these classes of property were fully or partially exempted from such taxation in the last 10 years, please supply details of the exemption and some of the considerations—such as administrative costs of enforcement—that motivated it.

Are the local officials who judge initial appeals from property tax assessments elected or appointed? Do they derive their authority to hear such appeals from the fact of holding other office? If so, what is the office (e.g., county commissioner), and what is their other involvement in assessment administration?

Question 5

How and by whom are the members of the State-level tax assessment review agency chosen? What is their term of office? Does their agency have responsibility for assessing intercounty property, and, if so, what property (e.g., utility, railroad, etc.)? Do they also supervise local assessment standards and administration?

Question 6

What agency or agencies in your State conducts sales-assessment ratio studies? How often are they conducted? How often are they published and to whom are they distributed? What kinds of property are included in the ratio studies?

Question 7

What is the annual budget of your State agency charged with supervision of property tax assessments and how many professional staff employees does it have? How many industrial appraisers does the agency employ?

Question 8

Have there been any changes in the size of assessment districts in your State in the last 10 years? If so, please give details.

Question 9

Does your state impose an ad valorem tax on any of the following kinds of personal property, other than business property:

Motor vehicles.
Household goods and furnishings.
Antiques and works of art.
Jewelry and furs.
Intangibles (stocks, bonds, savings accounts, et cetera).
Livestock.
Farm equipment and machinery.
Standing timber.

If any of these classes of property were fully or partially exempted from such taxation in the last 10 years, please supply details of the exemption and some of the considerations—such as administrative costs of enforcement—that motivated it.

Question 10

Does your State have a classification system setting different levels of tax on different classes of property? If so, please supply details of the original classification provision and any recent amendments to it.

Question 11

Does your State exempt any real property from ad valorem taxation? If so, please give details of the kinds of property exempted. Also, does your State make and publish any regular assessment of the value of such tax-exempt property?

Question 12

Does your State have any provision—Greenbelt laws, restrictive agreements, et cetera—to assure that land taxed as farm land is withheld from other forms of development and/or taxed retroactively when its use changes? If so, please provide details of the system used.

Question 13

What provisions, if any, does your State make for relief of property taxes and to whom is such relief given? How many people received such relief in fiscal 1972 and how much money was distributed to them?

Question 14

Please list and explain any provisions of your State constitution that make specific reference to the system of property taxation.